

Company registration number 03195826 (England and Wales)

**NUCO INTERNATIONAL LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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# NUCO INTERNATIONAL LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	K S F Matthews I A Bowland
<b>Company number</b>	03195826
<b>Registered office</b>	Unit 5, Villiers Court Meriden Business Park Coventry West Midlands CV5 9RG
<b>Auditor</b>	Thomas & Young Limited Carleton House 266-268 Stratford Road Shirley Solihull B90 3AD
<b>Bankers</b>	Santander Bootle Merseyside L30 4GB

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# NUCO INTERNATIONAL LIMITED

## CONTENTS

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	<b>Page</b>
Strategic report	1 - 2
Directors' report	3
Directors' responsibilities statement	4
Independent auditor's report	5 - 7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 - 26

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# NUCO INTERNATIONAL LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors present the strategic report and financial statements for the year ended 31 December 2021.

### **Fair review of the business**

The £3m growth in turnover at the same gross profit percentage as 2020, combined well with a £350k reduction in head office costs to generate an operating profit of £2m. During the year the transfer of the Hong Kong office to the UK HQ was a huge success; producing both cost savings and improved efficiencies.

Nuco's extremely high service levels and quality products, combined with creative innovation and competitive pricing ensured an excellent level of customer retention. Several new business wins in 2021 means 2022 should be another year of solid profitable growth.

### **Principal risks and uncertainties**

Nuco evaluates the main risks facing the Company formally in monthly board meetings and weekly management meetings. In addition, measures are in place to manage and address risks on a daily basis through the policies and procedures implemented by the Company.

The principal risks and uncertainties facing the Company are broadly grouped as follows:

#### **Operational**

The Company's operations include long term contracts and some long lead times for supply where anticipated outcomes may alter with the passage of time and Nuco have procedures in place for the continuous monitoring and evaluation of all customer and supplier contracts to ensure problems are identified at an early stage.

The tender approval processes and contract acceptance protocols reflect the Company's attitude to risk and every effort is made to assess the financial covenants of all partners involved with a contract.

The success of the Company is very dependent upon the recruitment and retention of good quality staff and Nuco seeks to make itself the preferred employer in the sector.

Nuco has developed and maintains strong relationships with all stakeholders such as customers, suppliers and financiers to provide a solid base for the operational activities of the Company.

#### **Competitive**

The private label business involves contracts that are subject to competitive tender and contracts are secured on the basis of quality, financial and performance criteria. The Company recognises the need for strong relationships with customers and the importance of successful contract delivery to gain both a competitive advantage in the open market and the opportunity to introduce the Nu brand to customers.

#### **Legislative**

The Company's management systems aim to ensure compliance with all relevant regulations.

#### **Health and safety**

The activities of Nuco in the stationery sector are low risk and the Company makes every effort to ensure its health and safety policies are of the highest standard, are fit for purpose and are strictly adhered to on a daily basis.

#### **Financial**

The Company has established a risk and financial management framework with the primary objective of protecting Nuco from events that hinder the achievement of the Company's performance objectives.

All credit, liquidity and foreign exchange risks are considered and monitored in conjunction with the production of short and long term cash flows to ensure financial obligations are met as they fall due.

#### **Environmental**

The Company recognises the need to protect the environment and has appropriate corporate responsibility and corporate sustainability policies in place.

### **Development and performance**

The Company has undertaken extensive research and development on behalf of Nu Agencies for several years and will continue to invest in research and development as opportunities for either expanding existing products or creating new products present themselves.

# NUCO INTERNATIONAL LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### Key performance indicators

Nuco International Limited's ("the Company") key financial indicators in £'000 during the year were as follows:-

Turnover has increased by 14% from £20,659 (2020) to £23,586 (2021).

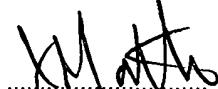
Operating profit has increased by 65% from £1,169 (2020) to £1,928 (2021).

Profit after tax has increased by 89% from £884 (2020) to £1,675 (2021).

Shareholders' funds have increased by 16% from £1,073 (2020) to £1,249 (2021).

The company monitors its key performance indicators of sales, cash, stock, liabilities and quality in management meetings on a weekly basis.

On behalf of the board



K S F Matthews

Director

Date: 8/8/2022

# NUCO INTERNATIONAL LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors present their annual report and financial statements for the year ended 31 December 2021.

### Principal activities

The principal activity of the company continued to be that of the sale of stationery.

### Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £1,499,000. The directors do not recommend payment of a final dividend.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

K S F Matthews  
I A Bowland

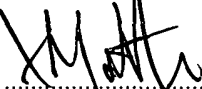
### Auditor

The auditor, Thomas & Young Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



K S F Matthews

Director

Date: 8/8/2022

# **NUCO INTERNATIONAL LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

# NUCO INTERNATIONAL LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF NUCO INTERNATIONAL LIMITED

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#### Opinion

We have audited the financial statements of Nuco International Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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.

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

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



# NUCO INTERNATIONAL LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF NUCO INTERNATIONAL LIMITED

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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.

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.

The auditor's assessment of the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur.

Which laws and regulations the auditor identified as being of significance in the context of the entity.

The auditor's explanation of its audit response will depend on the risks identified but may include:

- Enquiry of management, those charged with governance and the entity's solicitors (or in-house legal team) around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

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.

# NUCO INTERNATIONAL LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF NUCO INTERNATIONAL LIMITED

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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.



**James Carty ACA FCCA (Senior Statutory Auditor)**  
**For and on behalf of Thomas & Young Limited**

Date: 8/8/22

**Chartered Accountants**  
**Statutory Auditor**

Carleton House  
266-268 Stratford Road  
Shirley  
Solihull  
B90 3AD

# NUCO INTERNATIONAL LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	23,586,283	20,659,428
Cost of sales		(19,880,612)	(17,379,721)
<b>Gross profit</b>		<b>3,705,671</b>	<b>3,279,707</b>
Administrative expenses		(1,777,979)	(2,122,121)
Other operating income		-	10,970
<b>Operating profit</b>	4	<b>1,927,692</b>	<b>1,168,556</b>
Interest receivable and similar income	7	137,000	-
Interest payable and similar expenses	8	(67,802)	(40,898)
Amounts written off investments	9	-	(9,999)
<b>Profit before taxation</b>		<b>1,996,890</b>	<b>1,117,659</b>
Tax on profit	10	(321,567)	(233,321)
<b>Profit for the financial year</b>		<b>1,675,323</b>	<b>884,338</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

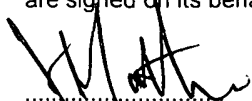
# NUCO INTERNATIONAL LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Goodwill	13		-		119,167
Tangible assets	14		179,360		215,289
Investments	15		168		168
			<u>179,528</u>		<u>334,624</u>
<b>Current assets</b>					
Stocks	17	99,841		441,919	
Debtors	18	6,452,815		6,403,342	
Cash at bank and in hand		133,703		40,091	
		<u>6,686,359</u>		<u>6,885,352</u>	
<b>Creditors: amounts falling due within one year</b>	19	(5,606,446)		(6,112,309)	
<b>Net current assets</b>			<u>1,079,913</u>		<u>773,043</u>
<b>Total assets less current liabilities</b>			<u>1,259,441</u>		<u>1,107,667</u>
<b>Creditors: amounts falling due after more than one year</b>	20		(10,460)		(35,009)
<b>Net assets</b>			<u>1,248,981</u>		<u>1,072,658</u>
<b>Capital and reserves</b>					
Called up share capital	24	100,000		100,000	
Profit and loss reserves		1,148,981		972,658	
<b>Total equity</b>			<u>1,248,981</u>		<u>1,072,658</u>

The financial statements were approved by the board of directors and authorised for issue on 8/8/22 and are signed on its behalf by:



K S F Matthews  
Director

Company Registration No. 03195826

# NUCO INTERNATIONAL LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2020</b>		100,000	570,640	670,640
<b>Year ended 31 December 2020:</b>				
Profit and total comprehensive income for the year		-	884,338	884,338
Dividends	11	-	(482,320)	(482,320)
<b>Balance at 31 December 2020</b>		100,000	972,658	1,072,658
<b>Year ended 31 December 2021:</b>				
Profit and total comprehensive income for the year		-	1,675,323	1,675,323
Dividends	11	-	(1,499,000)	(1,499,000)
<b>Balance at 31 December 2021</b>		100,000	1,148,981	1,248,981

# NUCO INTERNATIONAL LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	30	554,605		1,218,665	
Interest paid		(67,802)		(40,898)	
Income taxes paid		(449,677)		(28,208)	
<b>Net cash inflow from operating activities</b>		<b>37,126</b>		<b>1,149,559</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(52,539)		(46,792)	
Proceeds on disposal of tangible fixed assets		46,200		69,000	
Receipts arising from loans made		-		(10,000)	
Dividends received		137,000		-	
<b>Net cash generated from investing activities</b>		<b>130,661</b>		<b>12,208</b>	
<b>Financing activities</b>					
Repayment of borrowings		1,521,121		(712,746)	
Repayment of bank loans		(50,000)		50,000	
Payment of finance leases obligations		(46,296)		(27,684)	
Dividends paid		(1,499,000)		(482,320)	
<b>Net cash used in financing activities</b>		<b>(74,175)</b>		<b>(1,172,750)</b>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>93,612</b>		<b>(10,983)</b>	
Cash and cash equivalents at beginning of year		40,091		51,074	
<b>Cash and cash equivalents at end of year</b>		<b>133,703</b>		<b>40,091</b>	

# NUCO INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **1 Accounting policies**

#### **Company information**

Nuco International Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 5, Villiers Court, Meriden Business Park, Coventry, West Midlands, CV5 9RG.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Nuco International Limited is a wholly owned subsidiary of Nuco International Group Limited and the results of Nuco International Limited are included in the consolidated financial statements of Nuco International Group Limited which are available from Unit 5 Villiers Court, Meriden Business Park, Coventry, West Midlands, CV5 9RG.

#### **1.2 Going concern**

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

#### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

*When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.*

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

# NUCO INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Office equipment	25% straight line
Fixtures & fittings	15% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.



# NUCO INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# NUCO INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# NUCO INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

---

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

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 finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### **1.11 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.12 Derivatives**

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

#### **1.13 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

# NUCO INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred taxation is provided at appropriate rates on all timing differences using the liability method.

#### **1.14 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.15 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.16 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### **1.17 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### **1.18 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

# NUCO INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.19 Invoice discounting

The gross amount of invoices discounted are shown in the balance sheet as trade debtors and the advances against them are included in the balance sheet as other borrowings. The interest and charges element of the advances are recognised as they accrue and are included in the profit and loss account.

### 2 Judgements and key sources of estimation uncertainty

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

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

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2021 £	2020 £
<b>Turnover analysed by class of business</b>		
Stationery	23,586,283	20,659,428
	<u>23,586,283</u>	<u>20,659,428</u>
	2021 £	2020 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	23,583,583	20,656,313
Europe	2,700	3,115
	<u>23,586,283</u>	<u>20,659,428</u>
	2021 £	2020 £
<b>Other revenue</b>		
Dividends received	137,000	-
Grants received	-	10,970
	<u>137,000</u>	<u>10,970</u>

# NUCO INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	-	(84,013)
Government grants	-	(10,970)
Fees payable to the company's auditor for the audit of the company's financial statements	12,500	12,500
Depreciation of owned tangible fixed assets	49,722	70,083
(Profit)/loss on disposal of tangible fixed assets	(7,454)	6,985
Amortisation of intangible assets	119,167	32,500
Operating lease charges	85,027	85,993
	<u>          </u>	<u>          </u>

### 5 Employees

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

	2021 Number	2020 Number
Staff (including director)	19	16
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	725,229	733,485
Social security costs	90,102	79,514
Pension costs	90,787	159,462
	<u>          </u>	<u>          </u>
	906,118	972,461
	<u>          </u>	<u>          </u>

### 6 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	9,628	8,880
Company pension contributions to defined contribution schemes	40,000	-
	<u>          </u>	<u>          </u>
	49,628	8,880
	<u>          </u>	<u>          </u>

### 7 Interest receivable and similar income

	2021 £	2020 £
Income from fixed asset investments		
Income from shares in group undertakings	137,000	-
	<u>          </u>	<u>          </u>

# NUCO INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 8 Interest payable and similar expenses

	2021 £	2020 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on invoice finance arrangements	65,291	35,945
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	2,511	4,953
	<u>67,802</u>	<u>40,898</u>

### 9 Amounts written off investments

	2021 £	2020 £
Amounts written back to/(written off) non-current loans	-	(9,999)
	<u>-</u>	<u>(9,999)</u>

### 10 Taxation

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	334,111	312,221
Adjustments in respect of prior periods	(12,544)	(78,900)
Total current tax	<u>321,567</u>	<u>233,321</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	<u>1,996,890</u>	<u>1,117,659</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	379,409	212,355
Tax effect of expenses that are not deductible in determining taxable profit	4,872	94,667
Tax effect of income not taxable in determining taxable profit	(44,414)	-
Adjustments in respect of prior years	(12,543)	-
Group relief	-	(6,568)
Research and development tax credit	(3,541)	-
Under/(over) provided in prior years	-	(78,900)
Dividend income	(26,030)	-
Depreciation in excess of capital allowances	23,814	11,767
Taxation charge for the year	<u>321,567</u>	<u>233,321</u>

# NUCO INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 11 Dividends

	2021 £	2020 £
Interim paid	1,499,000	482,320

### 12 Impairments

Reversals of previous impairment losses have been recognised in profit or loss as follows:

	Notes	2021 £	2020 £
In respect of:			
Fixed asset investments	15	-	(9,999)
Recognised in:			
Amounts written off investments		-	(9,999)

The reversals of previous impairment losses in respect of financial assets are recognised in other gains and losses in the profit and loss account.

### 13 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 January 2021 and 31 December 2021	650,000
<b>Amortisation and impairment</b>	
At 1 January 2021	530,833
Amortisation charged for the year	119,167
At 31 December 2021	650,000
<b>Carrying amount</b>	
At 31 December 2021	-
At 31 December 2020	119,167



# NUCO INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 14 Tangible fixed assets

	Office equipment £	Fixtures & fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2021	194,708	130,473	233,772	558,953
Additions	5,544	-	46,995	52,539
Disposals	-	-	(78,492)	(78,492)
At 31 December 2021	200,252	130,473	202,275	533,000
<b>Depreciation and impairment</b>				
At 1 January 2021	179,750	83,108	80,806	343,664
Depreciation charged in the year	9,865	6,853	33,004	49,722
Eliminated in respect of disposals	-	-	(39,746)	(39,746)
At 31 December 2021	189,615	89,961	74,064	353,640
<b>Carrying amount</b>				
At 31 December 2021	10,637	40,512	128,211	179,360
At 31 December 2020	14,958	47,365	152,966	215,289

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2021 £	2020 £
<b>15 Fixed asset investments</b>		
	<b>Notes</b>	
Investments in subsidiaries	16	167
Loans	1	1
	168	168

### 16 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Nu Agencies Limited	UK	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

# NUCO INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 16 Subsidiaries (Continued)

Name of undertaking	Capital and Reserves £	Profit/(Loss) £
Nu Agencies Limited	40,467	286,239

### 17 Stocks

	2021 £	2020 £
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Finished goods and goods for resale	99,841	441,919
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### 18 Debtors

	2021 £	2020 £
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#### Amounts falling due within one year:

Trade debtors	4,778,191	5,103,777
Corporation tax recoverable	42,064	42,064
Amounts owed by group undertakings	1,541,104	1,114,690
Other debtors	27,629	99,522
Prepayments and accrued income	63,827	43,289
	<u>6,452,815</u>	<u>6,403,342</u>

All the trade debtor balances are subject to confidential invoice discounting for 2021 & 2020. The company recognises the full carrying amount of trade debtors and has recognised the cash received from the asset financing company within creditors due within one year as a secured borrowing.

### 19 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	21	-	50,000
Obligations under finance leases	22	21,021	42,768
Other borrowings	21	1,825,835	304,714
Trade creditors		2,110,355	3,739,486
Corporation tax		184,111	312,221
Other taxation and social security		258,812	747,880
Other creditors		600,149	121,335
Accruals and deferred income		606,163	793,905
		<u>5,606,446</u>	<u>6,112,309</u>

Included in other borrowings are advances made by ABN AMRO Commercial Finance PLC of £1,825,835 (2020: £304,714) secured by fixed and floating charges over the undertaking and all property and assets present and future.

# NUCO INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 20 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Obligations under finance leases	22	10,460	35,009

### 21 Loans and overdrafts

	2021 £	2020 £
Bank loans	-	50,000
Other borrowings	1,825,835	304,714
	<u>1,825,835</u>	<u>354,714</u>
Payable within one year	<u>1,825,835</u>	<u>354,714</u>

The invoice discounting loan is secured by fixed and floating charges over the undertaking and all property and assets present and future.

### 22 Finance lease obligations

	2021 £	2020 £
Future minimum lease payments due under finance leases:		
Within one year	21,021	42,768
In two to five years	10,460	35,009
	<u>31,481</u>	<u>77,777</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 23 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>90,787</u>	<u>159,462</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

# NUCO INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 24 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	100,000	100,000	100,000	100,000

### 25 Financial instruments

The company enters into foreign currency contracts to mitigate the exchange rate risk for certain foreign currency suppliers. At the year end the company had options to buy forward contracts of £2,223,498 between January 2022 and December 2022 (2021 : £506,141). The forward currency contracts are measured at fair value using quoted forward exchange rates.

### 26 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	79,000	79,000
Between two and five years	250,167	316,000
In over five years	-	13,167
	<u>329,167</u>	<u>408,167</u>

### 27 Parent company

The ultimate parent company is Nuco International Group Limited, a company registered in England and Wales.

Throughout the period the company was under the control of its parent company Nuco International Group Limited.

### 28 Related party transactions

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

During the year the company paid rent of £79,000 (2020 : £79,000) to a group of individual SIPPS, of which Mr K Matthews and Mr I A Bowland are members.

During the year Mr I A Bowland invoiced the company £25,800 (2020 : £57,540) for consultancy services.

# NUCO INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 29 Parental guarantee

Nu Agencies Limited, a company registered in England - number 03739966, a subsidiary undertaking is exempt from the requirements of an audit of the individual entity accounts under section 479A of the Companies Act 2006 for the year ended 31 December 2021 by way of parental guarantee.

### 30 Cash generated from operations

	2021 £	2020 £
Profit for the year after tax	1,675,323	884,338
<b>Adjustments for:</b>		
Taxation charged	321,567	233,321
Finance costs	67,802	40,898
Investment income	(137,000)	-
(Gain)/loss on disposal of tangible fixed assets	(7,454)	6,985
Amortisation and impairment of intangible assets	119,167	32,500
Depreciation and impairment of tangible fixed assets	49,722	70,083
Other gains and losses	-	9,999
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	342,078	(196,135)
Increase in debtors	(49,473)	(2,633,600)
(Decrease)/increase in creditors	(1,827,127)	2,770,276
<b>Cash generated from operations</b>	<u>554,605</u>	<u>1,218,665</u>

### 31 Analysis of changes in net debt

	1 January 2021 £	Cash flows £	31 December 2021 £
Cash at bank and in hand	40,091	93,612	133,703
Borrowings excluding overdrafts	(354,714)	(1,471,121)	(1,825,835)
Obligations under finance leases	(77,777)	46,296	(31,481)
	<u>(392,400)</u>	<u>(1,331,213)</u>	<u>(1,723,613)</u>