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REGISTERED NUMBER: 06411536 (England and Wales)

Audited Financial Statements
for the Year Ended 31 July 2019
for
Nekem Limited
T/A Nekem Packaging



Nekem Limited (Registered number: 06411536)
T/A Nekem Packaging

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for the Year Ended 31 July 2019

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**Nekem Limited
T/A Nekem Packaging**

**Company Information
for the Year Ended 31 July 2019**

DIRECTORS:

Mr M J Duffell
Mrs V A Duffell
Mr A M Duffell
Mr M S Duffell
Mr D Taylor
Ms V A Moody
Mr M J Gwinnett

SECRETARY:

Mr M J Duffell

REGISTERED OFFICE:

North Works
Guilden Sutton Lane
Guilden Sutton
Chester
Cheshire
CH3 7EX

REGISTERED NUMBER:

06411536 (England and Wales)

AUDITORS:

Wilson Henry LLP
Statutory Auditor
Chartered Accountants
145 Edge Lane
Liverpool
L7 2PF

Nekem Limited (Registered number: 06411536)
T/A Nekem Packaging

Balance Sheet
31 July 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Intangible assets	4	-	-
Tangible assets	5	83,900	84,965
		<u>83,900</u>	<u>84,965</u>
CURRENT ASSETS			
Stocks	6	1,123,536	1,345,622
Debtors	7	628,410	694,108
Cash at bank and in hand		384,568	414,346
		<u>2,136,514</u>	<u>2,454,076</u>
CREDITORS			
Amounts falling due within one year	8	1,740,243	2,006,498
NET CURRENT ASSETS		<u>396,271</u>	<u>447,578</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>480,171</u>	<u>532,543</u>
CREDITORS			
Amounts falling due after more than one year	9	147,551	200,770
NET ASSETS		<u><u>332,620</u></u>	<u><u>331,773</u></u>
CAPITAL AND RESERVES			
Called up share capital		1	1
Retained earnings		332,619	331,772
SHAREHOLDERS' FUNDS		<u><u>332,620</u></u>	<u><u>331,773</u></u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 17/07/20 and were signed on its behalf by:



 Mr M J Duffell - Director

Notes to the Financial Statements
for the Year Ended 31 July 2019

1. STATUTORY INFORMATION

Nekem Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

Turnover represents net invoiced sales of goods, net of trade discounts and excluding value added tax.

Turnover is recognised once the risks and rewards associated with the products being sold are transferred to the customer on their delivery.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment	- Straight line over 3 years
Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

The Company has a policy of carrying out periodic revaluations of freehold property. Where a revaluation has been undertaken the value of freehold property in the accounts is adjusted to reflect the market valuation.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Notes to the Financial Statements - continued
for the Year Ended 31 July 2019

2. ACCOUNTING POLICIES - continued

Foreign currencies

Transactions denominated in foreign currencies are translated into pound sterling using the spot rate of exchange ruling at the date of the transaction.

Unsettled monetary assets and liabilities denominated in foreign currencies are retranslated into pound sterling using the closing rate of exchange ruling at the balance sheet date. On settlement, an exchange gain or loss is recognised as the difference between the initial value of the asset or liability and the value of the receipt or payment required for settlement.

All exchange gains or losses on settled transactions and unsettled monetary items are reported as part of the profit or loss for the period from ordinary activities.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Employee benefit trusts

The Company has purchased and established trusts for the benefit of employees and certain of their dependants. Monies held in these trusts are held by independent trustees and managed at their discretion.

Where the Company retains future economic benefit from, and has de facto control of the assets and the liabilities of the trust, they are accounted for as assets and liabilities of the Company until the earlier of the date that an allocation of trust funds to employees of past services is declared and the date that assets of the trust vest in identified individuals.

Where monies held in a trust are determined by a Company on the basis of employees' past services to the business and the Company can obtain no future economic benefit from those monies, such monies, whether in the trust or accrued for by the Company are charged to the profit and loss account in the period to which they relate.

Derivatives

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

Going concern

The COVID-19 outbreak has created a major challenge and a high level of uncertainty for all companies. However, our business is in the manufacturing of packaging for cosmetic products sector, this includes packaging for sanitation products which are now in high demand. Orders for these products have dramatically increased meaning the business is in a strong position amidst this pandemic. The situation is being monitored on an ongoing basis and the pandemic appears to have passed its peak, which will limit the chance of COVID-19 adversely affecting the going concern status of the company. If the virus were to have a resurgence, then the business is resilient to its impact as the cash position across the group is healthy and support can be received from other group companies.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 12 (2018 - 12).

Nekem Limited (Registered number: 06411536)
T/A Nekem Packaging

Notes to the Financial Statements - continued
for the Year Ended 31 July 2019

4. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 August 2018	
and 31 July 2019	3,727,111
AMORTISATION	
At 1 August 2018	
and 31 July 2019	3,727,111
NET BOOK VALUE	
At 31 July 2019	-
At 31 July 2018	-

5. TANGIBLE FIXED ASSETS

	Computer equipment £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 August 2018	16,427	238,525	52,987	48,561	356,500
Additions	1,815	17,483	-	-	19,298
At 31 July 2019	18,242	256,008	52,987	48,561	375,798
DEPRECIATION					
At 1 August 2018	13,639	188,069	42,032	27,795	271,535
Charge for year	1,524	11,536	2,112	5,191	20,363
At 31 July 2019	15,163	199,605	44,144	32,986	291,898
NET BOOK VALUE					
At 31 July 2019	3,079	56,403	8,843	15,575	83,900
At 31 July 2018	2,788	50,456	10,955	20,766	84,965

6. STOCKS

	2019 £	2018 £
Finished goods	1,123,536	1,345,622

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	603,231	687,164
Amounts owed by group undertakings	22,023	-
Other debtors	3,156	6,944
	628,410	694,108

Nekem Limited (Registered number: 06411536)
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Notes to the Financial Statements - continued
for the Year Ended 31 July 2019

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Bank loans and overdrafts	46,667	46,667
Trade creditors	176,170	240,069
Amounts owed to group undertakings	1,103,217	1,123,425
Amounts owed to related parties	238,068	116,424
Taxation and social security	104,275	122,962
Other creditors	71,846	356,951
	<u>1,740,243</u>	<u>2,006,498</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019	2018
	£	£
Bank loans	128,335	175,002
Other creditors	19,216	25,768
	<u>147,551</u>	<u>200,770</u>

OTHER CREDITORS - FINANCIAL INSTRUMENTS

The Company entered into an interest rate collar agreement in order to manage the risk of exposure to variable interest rate movements on a loan for rates outside of the collar interest rates. The term of the agreement expires on April 2023 with a floor rate of 4.5% and a cap rate of 6%.

The objective is to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk.

10. SECURED DEBTS

The following secured debts are included within creditors:

	2019	2018
	£	£
Bank loans	<u>175,002</u>	<u>221,669</u>

These debts are secured by way of:

1. Corporate cross guarantee between all companies within the group headed up by Lendlock Group Limited dated April 2008.

2. Mortgage debenture given by the Company dated April 2008.

11. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Hilene S Henry (Senior Statutory Auditor)
for and on behalf of Wilson Henry LLP

Notes to the Financial Statements - continued
for the Year Ended 31 July 2019

12. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

This includes the following Companies:

- Lendlock International Limited
- Scott Closures International Limited
- Special Anodising Company Limited
- F-L Plastics Limited

The company has also chosen not to disclose transactions with other subsidiaries, as these transactions have been carried out under normal market conditions.

13. APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

14. NON-ADJUSTING POST BALANCE SHEET EVENTS

The directors are closely monitoring the situation with regards to COVID-19, which has become a global pandemic. Recent analysis shows that the virus in the UK may have peaked and the impacts of COVID-19 should begin to lessen. Impact on the business since the financial year ended has so far been positive with the business receiving an influx of orders, meaning the financial performance during this period has been excellent, this does not require any adjustment in the accounts. However, the situation is very fluid and difficult to predict, if the pandemic should spike again then there could be a potential impact on the business.

15. CONTROLLING PARTY

The Company's controlling party is deemed to be Lendlock Group Limited, by virtue of its 100% holding in the Company's issued share capital. Voting rights follow the shareholdings. The results of the Company is consolidated at Lendlock Group Limited and the consolidated financial statements of the group are available from Lendlock Group Limited's registered office:

Guilden Sutton Lane
Chester
United Kingdom
CH3 7EX