

NORDMANN UK GROUP HOLDINGS LTD

Group Strategic Report,

Directors' Report and

Consolidated Financial Statements

for the Year Ended 31 December 2021



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NORDMANN UK GROUP HOLDINGS LTD
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for the year ended 31 December 2021

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NORDMANN UK GROUP HOLDINGS LTD

**Company Information
for the year ended 31 December 2021**

Directors:

G H Friedrich Bergmann
B F Kruse
R E Straughan
K Fairbrass

Secretary:

K Fairbrass

Registered office:

1 Maidenbower Office Park
Balcombe Road
Crawley
West Sussex
RH10 7NN

Registered number:

07608263 (England and Wales)

Auditors:

Haines Watts
Chartered Accountants and Statutory Auditor
New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

NORDMANN UK GROUP HOLDINGS LTD

Group Strategic Report for the year ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021. Our review is consistent with the size and nature of our business and is written in the context of the market sector that we operate in and the opportunities, risks and uncertainties we face.

Business review and results for the year

The group has delivered excellent results for the full year, recording trading gross profit growth in key markets of UK, Japan, South Korea, Spain, India, USA and the Nutrition business. Singapore operations support the global optical market and with further investment in the world-class manufacturing plant and capacity expansion, the business is well placed to benefit from the post pandemic upturn. The group saw significant sales growth in its Monomers, Industrial and Elastomers business. The group continues to drive its Performance Chemicals portfolio as a leading supplier of its speciality chemical products in the Industrial, Fine Chemicals, and Monomer industries.

During the year, sales recorded at £70.3m (2020: £57.7m) delivered a trading gross profit of £14.7m recording a 18.8% increase from prior year despite the ongoing impacts of the global pandemic and supply chain disruption. Margins continue to reflect strong performances in our Industrial, Fine Chemicals and Optical business units, delivering a group margin of 21.0%. This is down slightly vs prior year (21.4%) due to the significant growth in the Monomers business, which commands a lower margin than the group average.

Life Sciences, which includes the Nutrition and Fine Chemicals business portfolios, continued to experience strong market demand. The Covid pandemic continues to stimulate demand for products promoting healthy immune systems, which drove growth at our nutritional supplements business and the supply of fine chemicals into the pharmaceutical sector. Adhesives, Coatings, Elastomers and Plastics continue to perform in line with expectations. The Industrial business unit has delivered another record-breaking year with sales of £12.0m and strong margins.

The performance of the Group was as follows:

£'000	2021	2020
Turnover	70,296	57,709
Gross Profit	14,668	12,345
Pre Tax Profit	4,933	2,365

Brexit continues to cause economic uncertainty, both in the supply chain and in the regulatory field, affecting trade in the UK and Eurozone. Despite this, the group has performed well maintaining a strong market position. The group balance sheet continues to remain strong, but the supply chain disruption caused by Covid has led to an increase in working capital required to ensure smooth supply to our customers. Management continue to focus on optimising inventory levels and debtors whilst continuing to pay suppliers to terms. We continue to build on our liquidity position and reduce our long-term debt. The group continues to maintain strong reserves with good liquidity and net asset position to support the business into 2022.

Throughout 2021, the subsidiaries of Nordmann UK Group Holdings Ltd have continued with the rebranding project and have changed their names to incorporate the Nordmann brand. This programme was completed in January 2022 with the rebranding of Melrob Nutrition as Nordmann Nutrition Ltd.

Our Health & Safety, Environment and Quality programmes are at the heart of everything that the group does and continue to maintain high standards. Operating safe working practices during the pandemic following local government advice has been well received by all employees. Quality standards were well maintained with successful ISO audits and certifications. New developments post Brexit regarding UK-REACH continue to be a challenge, but one that the UK entity is well positioned to undertake.

NORDMANN UK GROUP HOLDINGS LTD

Group Strategic Report for the year ended 31 December 2021

Principal risks and uncertainties

The group operates in wide ranging market sectors where prices are controlled by global markets, which are increasingly competitive, and price sensitive. However, the group operates in diversified business sectors and across territories with niche speciality products such that the risk to exposure to a downturn is minimised. The impact from on-going uncertainties relating to Brexit added to the challenges within the UK market, but these were managed in line with market expectation, as the impact was universal and not specific to individual companies. With ever growing presence together with our larger Nordmann Group, the opportunities to establish a stronger business against competition, is also a key factor to enable sustainable growth.

Current COVID-19 impact has shown the resilience of the business and preparedness to deal with adverse conditions, by enacting our contingency planning and successfully integrating our business and support services to enable us to continue servicing our suppliers and customers. Health & Safety has been paramount for all employees and all efforts are being made to continue supporting successful home/remote working as we continue to manage our financial controls and liquidity. The group has shown it can effectively manage and continue to drive its business. 2021 was also a year in which we accelerated our digital transformation and successfully integrated further into the Nordmann group network.

Although the severity differs between the various regions in the world, the COVID-19 pandemic has dramatically affected global economic activity since early 2020. The adoption of remote working where applicable, has allowed the group to continue providing its services to customers and suppliers. Facilitated by digital communications and technologies to stay in contact with our business partners, the group has been able to continue its operations efficiently and effectively.

Financial instruments

The group operates its trade in various domestic and foreign currencies. Currency and interest rate exposures are well- managed and to mitigate and manage this risk, the group makes use of forward rate contracts and where possible, foreign currency purchase and sales transactions are matched to provide natural hedge. The group seeks to drive down debt and ensuring sufficient liquidity headroom to meet business needs. Customer credit checks and limits are rigorously maintained and we continue to have a good track record on receivables and minimising risk.

The board expects the group will continue to expand, trade profitably and retain good liquidity whilst continuing to achieve high standards on health, safety, quality and responsible care with ethical trading. We will continue to seek opportunities for organic growth with existing and new suppliers and build on businesses acquired over the years.

NORDMANN UK GROUP HOLDINGS LTD

Group Strategic Report for the year ended 31 December 2021

Section 172(1) statement

Section 172 of the Companies Act 2006 requires a director of a group to act in the way he or she considers, in good faith, would most likely promote the success of the group for the benefit of its members as a whole. In doing this, section 172 requires a director to have regard, amongst other matters, to the: likely consequences of any decisions in the long-term; interests of the company's employees; need to foster the group's business relationships with suppliers, customers and others; impact of the group's operations on the community and environment; desirability of the group maintaining a reputation for high standards of business conduct, and need to act fairly as between members of the group.

Promoting the Group's success for its members

In discharging our section 172 duties we have regard to the factors set out above. We also have regard to other factors that we consider relevant to the decision being made. Those factors, for example, include the interests and views of our shareholders, other group companies and other relevant stakeholders. We acknowledge that every decision we make will not necessarily result in a positive outcome for all of our stakeholders. By considering the 's group's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, we do, however, aim to make sure that our decisions are consistent.

As is normal for large, private companies, we delegate authority for day-to-day management of the group to executives and then engage management in setting, approving and overseeing execution of the business strategy and related policies. Board meetings are held periodically and activities reviewed through the consideration and discussion of information, which is sent in advance of each board meeting and through presentations to the board, and the consideration of the impact of the relevant decisions on stakeholders. The board are fully aware of their responsibilities to promote the success of the group in accordance with section 172 of the Companies Act 2006.

Employee engagement

The group has around 109 employees and the board is committed to promoting a diverse and inclusive workplace, reflective of the communities in which it does business. We approach diversity in the broadest sense, recognising that successful businesses flourish through embracing diversity into their business strategy and developing talent at every level in the organisation.

The board and senior management are responsible for ensuring that the group's purpose, vision and values are effectively communicated to employees and that the group's activities reflect the culture we wish to instil in employees and drive appropriate behaviours. Employees are actively encouraged to provide feedback and report any concerns if required. There is close collaboration between employees and directors on a regular basis and directors are encouraged, and expected, to visit operations and to engage with the employees regularly.

Other Stakeholders

The group's key stakeholders are its employees, customers, consumers, suppliers, shareholder and the local communities in which it operates. The views of and the impact of the group's activities on those stakeholders are an important consideration for directors when making relevant decisions. Whilst there are cases where the board itself judges that it should engage directly with certain stakeholder groups or on certain issues, the size and spread of our stakeholders means that generally our stakeholder engagement best takes place at an operational level.

We bring the stakeholder voice into the boardroom through information provided by senior management and by direct engagement with stakeholders themselves, where appropriate. The relevance of each stakeholder group may increase or decrease depending on the matter or issue in question, so the board seeks to consider the needs and priorities of each stakeholder group during its discussions and as part of its decision-making.

NORDMANN UK GROUP HOLDINGS LTD

**Group Strategic Report
for the year ended 31 December 2021**

Streamlined energy and carbon reporting

In the financial year, the businesses used the following amounts of energy and corresponding CO2 emissions:

Fuel & CO2 emissions	Units	CO2 (kg)
Gas (kWh)	-	-
Electricity (kWh)	504,073	192,543

Average number of employees during the year is the most appropriate measure of energy intensity. Financial measure and other operational measures are more likely to fluctuate, with a significant part of the fluctuation outside of our control.

Energy intensity Kg CO2 per employee:

Average No of Employees: 109 CO2 emissions (Kg): 1,766

Energy use relate to offices and production/warehouse operations. To promote our green credentials, where possible, we aim to select supply partners that drive renewal and green energy. source with a key objective to achieve 2050 net-zero target. We have also secured E7 allocation, which helps to spread consumption and energy utilisation. All our key locations are installed with energy saving motion sensor lighting.

We expect these energy saving measures to have some impact in future years to come as we continue to seek efficient use of renewal and green energy sources.

On behalf of the board:



.....
K Fairbrass - Director



.....
R E Straughan- Director

Date:

1/4/2022

NORDMANN UK GROUP HOLDINGS LTD

Directors' Report for the year ended 31 December 2021

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2021.

Principal activity

The principal activity of the group during the year continued to be the distribution and manufacture of speciality chemicals and health products.

Dividends

No dividends will be distributed for the year ended 31 December 2021.

Directors

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

G H Friedrich Bergmann
B F Kruse

Other changes in directors holding office are as follows:

A Patel - resigned 30 June 2021
C M Guentner - resigned 1 August 2021
R E Straughan - appointed 30 June 2021
K Fairbrass - appointed 30 June 2021

I P Melliush ceased to be a director after 31 December 2021 but prior to the date of this report.

Statement of directors' responsibilities

The directors are responsible for preparing the Group Strategic Report, the Directors' 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 the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


NORDMANN UK GROUP HOLDINGS LTD

Directors' Report
for the year ended 31 December 2021

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board:


.....
K Fairbrass - Director


.....
R E Straughan- Director

Date: 1/4/2022

**Independent Auditors' Report to the Members of
Nordmann UK Group Holdings Ltd**

Opinion

We have audited the financial statements of Nordmann UK Group Holdings Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2021 and of the group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Directors' Report, but does not include the financial statements and our Auditors' 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 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 the audit:

- the information given in the Group 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 Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**Independent Auditors' Report to the Members of
Nordmann UK Group Holdings Ltd**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

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

Independent Auditors' Report to the Members of Nordmann UK Group Holdings Ltd

Auditors' 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 Auditors' 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In preparing the audited financial statements an understanding of legal and regulatory framework and compliance has been obtained through discussions with the directors, review of board minutes, review of project folders and review of HR files. The group is supported with memberships to Associations that provide them with technical and operational framework. These main Associations are:

CBA: The Chemical Business Association: source for keeping up with technical and regulatory compliance requirements with training courses; technical seminars; publications and having direct representation on the CBA Executive, CBA Council and the CBA HSE Committee.

EU-REACH / UK-REACH: Registration, Evaluation, Authorisation and Restriction of Chemicals is the regulatory body that governs the production and use of chemical substances and their potential impact on both human health and the environment. UK REACH is the governing body for the UK industry and EU REACH governs the European market. The group continues to comply with both the regulatory bodies for the respective markets by ensuring that all controlled products are handled and transacted within REACH regulations.

The group delegates authority for day-to-day management of HSEQ: Health, Safety, Environment, Quality and Regulatory aspects of the group, to senior managers and then engage the team with the Board to manage, set, approve and oversee the execution of the business strategy and policies to comply with the business requirements. Monitoring of this is conducted through regular business review meetings.

In the light of the knowledge and understanding of the group and its regulations obtained during the course of the audit, we have not identified material misstatements in these areas. The engagement team apply professional scepticism and remain alert for symptoms and behaviour indicating the potential for non-compliance.

Our procedures in relation to fraud included but were not limited to: inquires of management whether they have any knowledge of any actual, suspected or alleged fraud, and discussions amongst the audit team regarding risk of fraud such as opportunities for fraudulent manipulation of financial statements. We determined that the principal risks related to posting manual journal entries to manipulate financial performance and management bias through judgements in accounting estimates. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.


The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

**Independent Auditors' Report to the Members of
Nordmann UK Group Holdings Ltd**

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 Auditors' 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.



Jane Wills (Senior Statutory Auditor)
for and on behalf of Haines Watts
Chartered Accountants and Statutory Auditor
New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

Date: 1/4/22

NORDMANN UK GROUP HOLDINGS LTD

**Consolidated
Statement of Comprehensive
Income
for the year ended 31 December 2021**

	Notes	2021 £	2020 £
Turnover	3	70,295,804	57,708,623
Cost of sales		<u>(55,627,939)</u>	<u>(45,363,839)</u>
Gross profit		14,667,865	12,344,784
Administrative expenses		<u>(9,660,531)</u>	<u>(9,997,877)</u>
		5,007,334	2,346,907
Other operating income		<u>33,254</u>	<u>104,733</u>
Operating profit		5,040,588	2,451,640
Interest receivable and similar income		<u>8,282</u>	<u>4,411</u>
		5,048,870	2,456,051
Interest payable and similar expenses	6	<u>(115,599)</u>	<u>(91,089)</u>
Profit before taxation	7	4,933,271	2,364,962
Tax on profit	8	<u>(1,548,643)</u>	<u>(851,569)</u>
Profit for the financial year		3,384,628	1,513,393
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>3,384,628</u></u>	<u><u>1,513,393</u></u>
Profit attributable to: Owners of the parent		<u><u>3,384,628</u></u>	<u><u>1,513,393</u></u>
Total comprehensive income attributable to: Owners of the parent		<u><u>3,384,628</u></u>	<u><u>1,513,393</u></u>

The notes form part of these financial statements

NORDMANN UK GROUP HOLDINGS LTD (REGISTERED NUMBER: 07608263)

Consolidated Balance Sheet
31 December 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Intangible assets	11		325,696		515,857
Tangible assets	12		3,826,425		4,139,996
Investments	13		-		-
			<u>4,152,121</u>		<u>4,655,853</u>
Current assets					
Stocks	14	5,337,374		3,182,989	
Debtors	15	8,069,431		5,537,846	
Cash at bank and in hand		<u>5,832,953</u>		<u>5,880,086</u>	
		19,239,758		14,600,921	
Creditors					
Amounts falling due within one year	16	<u>14,121,967</u>		<u>13,164,714</u>	
Net current assets			<u>5,117,791</u>		<u>1,436,207</u>
Total assets less current liabilities			<u>9,269,912</u>		<u>6,092,060</u>
Provisions for liabilities	19		<u>12,307</u>		<u>1,844</u>
Net assets			<u>9,257,605</u>		<u>6,090,216</u>
Capital and reserves					
Called up share capital	20		9,413		9,413
Retained earnings	21		<u>9,248,192</u>		<u>6,080,803</u>
Shareholders' funds			<u>9,257,605</u>		<u>6,090,216</u>

The financial statements were approved by the Board of Directors and authorised for issue on
were signed on its behalf by:

1st April 2022 and



K Fairbrass - Director



R E Straughan - Director

The notes form part of these financial statements

NORDMANN UK GROUP HOLDINGS LTD (REGISTERED NUMBER: 07608263)

Company Balance Sheet
31 December 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Intangible assets	11		-		-
Tangible assets	12		-		1,469
Investments	13		<u>2,220,256</u>		<u>2,220,256</u>
			2,220,256		2,221,725
Current assets					
Stocks	14	144,499		73,779	
Debtors	15	153,917		157,095	
Cash at bank		<u>165,822</u>		<u>148,400</u>	
		464,238		379,274	
Creditors					
Amounts falling due within one year	16	<u>213,111</u>		<u>166,984</u>	
Net current assets			<u>251,127</u>		<u>212,290</u>
Total assets less current liabilities			<u>2,471,383</u>		<u>2,434,015</u>
Capital and reserves					
Called up share capital	20		9,413		9,413
Retained earnings	21		<u>2,461,970</u>		<u>2,424,602</u>
Shareholders' funds			<u>2,471,383</u>		<u>2,434,015</u>
 Company's profit for the financial year			<u>38,508</u>		<u>2,200,108</u>

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

The financial statements were approved by the Board of Directors and authorised for issue on and were signed on its behalf by:

1st April 2022



K Fairbrass - Director



R E Straughan - Director

The notes form part of these financial statements

NORDMANN UK GROUP HOLDINGS LTD

**Consolidated Statement of Changes in Equity
for the year ended 31 December 2021**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2020	9,413	7,944,685	7,954,098
Changes in equity			
Dividends	-	(3,500,000)	(3,500,000)
Total comprehensive income	<u>-</u>	<u>1,636,118</u>	<u>1,636,118</u>
Balance at 31 December 2020	<u>9,413</u>	<u>6,080,803</u>	<u>6,090,216</u>
Changes in equity			
Total comprehensive income	<u>-</u>	<u>3,167,389</u>	<u>3,167,389</u>
Balance at 31 December 2021	<u><u>9,413</u></u>	<u><u>9,248,192</u></u>	<u><u>9,257,605</u></u>

The notes form part of these financial statements

NORDMANN UK GROUP HOLDINGS LTD

**Company Statement of Changes in Equity
for the year ended 31 December 2021**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2020	9,413	3,715,081	3,724,494
Changes in equity			
Dividends	-	(3,500,000)	(3,500,000)
Total comprehensive income	-	<u>2,209,521</u>	<u>2,209,521</u>
Balance at 31 December 2020	<u>9,413</u>	<u>2,424,602</u>	<u>2,434,015</u>
Changes in equity			
Total comprehensive income	-	<u>37,368</u>	<u>37,368</u>
Balance at 31 December 2021	<u>9,413</u>	<u>2,461,970</u>	<u>2,471,383</u>

The notes form part of these financial statements

NORDMANN UK GROUP HOLDINGS LTD

**Consolidated Cash Flow Statement
for the year ended 31 December 2021**

		2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	25	1,735,343	6,773,288
Interest paid		(115,599)	(91,089)
Tax paid		<u>(1,159,502)</u>	<u>(815,148)</u>
Net cash from operating activities		<u>460,242</u>	<u>5,867,051</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(1,453)	-
Purchase of tangible fixed assets		(356,077)	(683,559)
Sale of tangible fixed assets		65,752	-
Interest received		<u>8,282</u>	<u>4,411</u>
Net cash from investing activities		<u>(283,496)</u>	<u>(679,148)</u>
Cash flows from financing activities			
New loans in year		-	223,879
Loan repayments in year		(223,879)	(472,610)
Equity dividends paid		<u>-</u>	<u>(3,500,000)</u>
Net cash from financing activities		<u>(223,879)</u>	<u>(3,748,731)</u>
(Decrease)/increase in cash and cash equivalents		<u>(47,133)</u>	<u>1,439,172</u>
Cash and cash equivalents at beginning of year	26	5,880,086	4,440,914
Cash and cash equivalents at end of year	26	<u><u>5,832,953</u></u>	<u><u>5,880,086</u></u>

The notes form part of these financial statements

NORDMANN UK GROUP HOLDINGS LTD

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

1. Statutory information

Nordmann UK Group Holdings Ltd 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 General Information page.

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" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest pound.

Going concern

The financial statements have been prepared on a going concern basis. The directors have reviewed and considered relevant information, including the annual budget and group resources available to them in making their assessment. They have also taken into account the impact that COVID-19 has had on their business over the past 12 months, and evaluated the measures taken so far to mitigate the impact. Based on these assessments, the directors have concluded that they can continue to adopt the going concern basis in preparing the group annual report and accounts.

Basis of consolidation

The financial statements consolidate the accounts of Nordmann UK Group Holdings Limited and all of its subsidiary undertakings ('subsidiaries').

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.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivables, excluding discounts, rebates, value added tax and other sales taxes. Turnover is recognised on delivery of the products.

Goodwill

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised over its estimated economic life of 10 years.

Intangible assets

Patent costs and trademarks represent the monies incurred on legal costs arranging for the manufacturing process to be copyrighted. They are amortised over their estimated economic life of 4 years.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	2% straight line
Long term leasehold property	over the period of the lease
Plant & machinery	10% - 20% straight line
Office fixtures and equipment	25% - 33% straight line

NORDMANN UK GROUP HOLDINGS LTD

Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2021

2. Accounting policies - continued

Stocks

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

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, 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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Employee benefits

Short term employee benefits including holiday pay and annual bonuses are accrued as services are rendered.

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

Contributions to defined contribution pension schemes are charged to profit or loss as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and those actually paid are shown as either accruals or prepayments in the balance sheet.

Financial instruments policy

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and bank overdrafts which are an integral part of the company's cash management.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

NORDMANN UK GROUP HOLDINGS LTD

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2021**

2. Accounting policies - continued

Key sources of estimation uncertainty and judgements

Preparation of the financial statements requires management to make significant judgements and estimates in determining the carrying amounts of certain assets and liabilities. Management makes assumptions of the effects of uncertain future events on those assets and liabilities at the balance sheet date. The management's estimates and assumptions are based on historical experience and expectation of future events and are reviewed periodically. This disclosure excludes uncertainty over future events and judgement in respect of measuring financial instruments. Management consider the key accounting estimates to be:

Bad debt provision

A full line by line review of trade debtors is carried out at the end of each month in order to identify any potential bad debts. Whilst every attempt is made to ensure the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectable.

Depreciation

The group's tangible assets are depreciated on a straight line basis over their useful economic lives. Management reviews the appropriateness of assets' useful economic lives at least annually and any changes could affect prospective depreciation rates and asset carrying values.

Amortisation

Amortisation is charged on intangible assets on a straight line basis over the estimated economic life. Management reviews the appropriateness of assets' useful economic lives at least annually and any changes could affect prospective amortisation rates and asset carrying values.

Stock provision

A full line by line review of stocks is carried out at the end of each month in order to identify any slow moving or obsolete stock. Whilst every attempt is made to ensure the finished goods stock provisions are as accurate as possible, there remains a risk that the provisions do not match the level of stock which ultimately proves to be unsaleable.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit and loss on a straight line basis over the period of the lease.

3. Turnover

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	2021	2020
	£	£
United Kingdom	23,028,490	23,677,481
Europe	17,827,642	1,174,983
Rest of the world	29,439,672	32,856,159
	<u>70,295,804</u>	<u>57,708,623</u>

The whole of the turnover is attributable to the principal activity of the group.

NORDMANN UK GROUP HOLDINGS LTD

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2021**

4. Employees and directors

	2021	2020
	£	£
Wages and salaries	5,899,328	6,052,241
Social security costs	716,087	525,205
Other pension costs	<u>168,167</u>	<u>176,652</u>
	<u>6,783,582</u>	<u>6,754,098</u>

The average number of employees during the year was as follows:

	2021	2020
Sales and operations	85	78
Finance and administration	14	14
IT and quality	6	5
Chemists	<u>4</u>	<u>4</u>
	<u>109</u>	<u>101</u>

5. Directors' emoluments

	2021	2020
	£	£
Directors' remuneration	1,525,003	744,413
Directors' pension contributions to money purchase schemes	<u>22,200</u>	<u>52,431</u>

During the period retirement benefits were accruing to 3 directors (2020 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £1,185,286 (2020 - £472,061).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,000 (2020 - £32,631).

6. Interest payable and similar expenses

	2021	2020
	£	£
Bank interest	1,565	28,729
Other interest	31	305
Group interest	114,003	61,677
Mortgage	<u>-</u>	<u>378</u>
	<u>115,599</u>	<u>91,089</u>

NORDMANN UK GROUP HOLDINGS LTD

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2021**

7. Profit before taxation

The profit is stated after charging:

	2021 £	2020 £
Other operating leases	255,892	286,509
Depreciation - owned assets	564,985	474,834
Loss on disposal of fixed assets	38,911	524
Goodwill amortisation	191,614	198,172
Auditors' remuneration	73,922	69,354
Foreign exchange differences	<u>181,748</u>	<u>693,263</u>

8. Taxation

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2021 £	2020 £
Current tax:		
UK corporation tax	1,538,180	875,703
Over provision in prior year	<u>-</u>	<u>(10,112)</u>
Total current tax	1,538,180	865,591
Deferred tax	<u>10,463</u>	<u>(14,022)</u>
Tax on profit	<u>1,548,643</u>	<u>851,569</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £	2020 £
Profit before tax	<u>4,933,271</u>	<u>2,364,962</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	937,321	449,343
Effects of:		
Expenses not deductible for tax purposes	1,445	5,631
Capital allowances in excess of depreciation	-	(1,201)
Depreciation in excess of capital allowances	1,792	-
Adjustments to tax charge in respect of previous periods	-	(10,112)
Other timing and tax rate differences arising on overseas tax	597,622	421,930
Deferred tax	<u>10,463</u>	<u>(14,022)</u>
Total tax charge	<u>1,548,643</u>	<u>851,569</u>

NORDMANN UK GROUP HOLDINGS LTD

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2021**

9. Individual statement of comprehensive income

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

10. Dividends

	2021 £	2020 £
Final	<u>-</u>	<u>3,500,000</u>

11. Intangible fixed assets

Group

	Goodwill £	Patents and licences £	Totals £
Cost			
At 1 January 2021	1,984,926	5,595	1,990,521
Additions	<u>-</u>	<u>1,453</u>	<u>1,453</u>
At 31 December 2021	<u>1,984,926</u>	<u>7,048</u>	<u>1,991,974</u>
Amortisation			
At 1 January 2021	1,469,069	5,595	1,474,664
Amortisation for year	<u>191,614</u>	<u>-</u>	<u>191,614</u>
At 31 December 2021	<u>1,660,683</u>	<u>5,595</u>	<u>1,666,278</u>
Net book value			
At 31 December 2021	<u>324,243</u>	<u>1,453</u>	<u>325,696</u>
At 31 December 2020	<u>515,857</u>	<u>-</u>	<u>515,857</u>

NORDMANN UK GROUP HOLDINGS LTD

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2021**

12. Tangible fixed assets

Group

	Freehold property £	Long leasehold £	Plant and machinery £	Office fixtures and equipment £	Totals £
Cost					
At 1 January 2021	3,789,924	48,085	1,777,115	1,476,283	7,091,407
Additions	5,182	-	274,189	76,706	356,077
Disposals	-	-	(458,931)	(303,727)	(762,658)
At 31 December 2021	<u>3,795,106</u>	<u>48,085</u>	<u>1,592,373</u>	<u>1,249,262</u>	<u>6,684,826</u>
Depreciation					
At 1 January 2021	445,234	48,085	1,159,356	1,298,736	2,951,411
Charge for year	192,189	-	302,209	70,587	564,985
Eliminated on disposal	-	-	(419,364)	(238,631)	(657,995)
At 31 December 2021	<u>637,423</u>	<u>48,085</u>	<u>1,042,201</u>	<u>1,130,692</u>	<u>2,858,401</u>
Net book value					
At 31 December 2021	<u>3,157,683</u>	<u>-</u>	<u>550,172</u>	<u>118,570</u>	<u>3,826,425</u>
At 31 December 2020	<u>3,344,690</u>	<u>-</u>	<u>617,759</u>	<u>177,547</u>	<u>4,139,996</u>

Company

	Office fixtures and equipment £
Cost	
At 1 January 2021	4,549
Disposals	(4,549)
At 31 December 2021	-
Depreciation	
At 1 January 2021	3,080
Charge for year	197
Eliminated on disposal	(3,277)
At 31 December 2021	-
Net book value	
At 31 December 2021	-
At 31 December 2020	<u>1,469</u>

NORDMANN UK GROUP HOLDINGS LTD

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2021**

13. Fixed asset investments

Company	Shares in group undertakings £
Cost	
At 1 January 2021	
and 31 December 2021	<u>2,220,256</u>
Net book value	
At 31 December 2021	<u>2,220,256</u>
At 31 December 2020	<u>2,220,256</u>

Details of the principal subsidiaries are as follows:

Company name	Country	Percentage holding (%)	Principal activity
Nordmann U.K. Ltd	England & Wales	100	Chemical distributor
Nordmann Singapore Pte. Ltd	Singapore	100	Chemical distributor
Nordmann Japan Ltd	Japan	100	Chemical distributor
Nordmann Korea Ltd	Korea	100	Chemical distributor
Nordmann US Inc.	USA	100	Chemical distributor
Nordmann Spain SL	Spain	100	Chemical distributor
Nordmann Nutrition Ltd	England & Wales	100	Food supplement distributor

14. Stocks

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Finished goods	<u>5,337,374</u>	<u>3,182,989</u>	<u>144,499</u>	<u>73,779</u>

15. Debtors: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	7,601,404	5,059,561	126,078	117,616
Amounts owed by group undertakings	91,175	49,292	10,905	5,461
Amounts owed by participating interests	-	-	1,181	-
Other debtors	32,139	49,332	487	-
Tax	43,917	121,002	-	28,947
VAT	-	-	10,990	223
Prepayments and accrued income	<u>300,796</u>	<u>258,659</u>	<u>4,276</u>	<u>4,848</u>
	<u>8,069,431</u>	<u>5,537,846</u>	<u>153,917</u>	<u>157,095</u>

NORDMANN UK GROUP HOLDINGS LTD

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2021**

16. Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans and overdrafts (see note 17)	-	223,879	-	-
Trade creditors	3,723,267	2,736,718	106,696	71,038
Amounts owed to group undertakings	6,934,150	6,763,905	68,296	68,296
Amounts owed to participating interests	-	-	2,771	-
Tax	893,163	591,570	11,899	-
Social security and other taxes	141,451	146,323	3,564	3,432
VAT	413,597	59,011	-	-
Other creditors	61,842	667,255	-	-
Accruals and deferred income	1,954,497	1,976,053	19,885	24,218
	14,121,967	13,164,714	213,111	166,984

Included in creditors is £39,143 (2020: £657,585) secured over the trade debtors of the group, and secured over a specific sale.

17. Loans

An analysis of the maturity of loans is given below:

	Group	
	2021	2020
	£	£
Amounts falling due within one year or on demand:		
Bank loans	-	223,879

The bank loans are secured over the trade debtors of the group.

18. Leasing agreements

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	2021	2020
	£	£
Within one year	267,738	183,369
Between one and five years	29,760	135,129
	297,498	318,498

NORDMANN UK GROUP HOLDINGS LTD

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2021**

19. Provisions for liabilities

	Group	
	2021	2020
	£	£
Deferred tax		
Accelerated capital allowances	<u>12,307</u>	<u>1,844</u>

Group

	Deferred tax £
Balance at 1 January 2021	1,844
Charge to Statement of Comprehensive Income during year	<u>10,463</u>
Balance at 31 December 2021	<u>12,307</u>

20. Called up share capital

Allotted and issued:				
Number:	Class:		2021	2020
		Nominal value:	£	£
941,377	Ordinary	.01	<u>9,413</u>	<u>9,413</u>

21. Reserves

Group

	Retained earnings £
At 1 January 2021	6,080,803
Profit for the year	3,384,628
Foreign exchange reserve	<u>(217,239)</u>
At 31 December 2021	<u>9,248,192</u>

Company

	Retained earnings £
At 1 January 2021	2,424,602
Profit for the year	38,508
Foreign exchange reserve	<u>(1,140)</u>
At 31 December 2021	<u>2,461,970</u>

NORDMANN UK GROUP HOLDINGS LTD

Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2021

22. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £168,167 (2020 - £176,652). Contributions totalling £8,150 (2020 - £9,671) were payable to the fund at the balance sheet date and are included in creditors.

23. Other financial commitments

The group enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency transactions. At 31 December 2021, the outstanding contracts all mature within 6 month of the year end. The group is committed to buy USD235,013, EUR301,602 and JPY2,116,800 and pay a fixed sterling amount. The group is also committed to sell KRW133,489,940, JPY20,328,562 and receive a fixed US dollar amount.

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key assumptions used in valuing the derivatives are the forward exchange rates for GBP:USD, GBP:EUR, GBP:JPY, USD:JPY and USD:KRW.

24. Ultimate controlling party

The immediate parent company is Nordmann, Rassmann GmbH. The ultimate parent undertaking is Georg Nordmann Holding Aktiengesellschaft, a company incorporated in Germany.

The Georg Nordmann Holding Aktiengesellschaft prepares group financial statements and copies can be obtained from: Georg Nordmann Holding Aktiengesellschaft, Kajen 2, 20459 Hamburg, Germany.

25. Reconciliation of profit before taxation to cash generated from operations

	2021 £	2020 £
Profit before taxation	4,933,271	2,364,962
Depreciation charges	564,985	474,834
Loss on disposal of fixed assets	38,911	511
Amortisation charges	191,614	198,172
Foreign exchange differences	(217,239)	122,725
Finance costs	115,599	91,089
Finance income	(8,282)	(4,411)
	<u>5,618,859</u>	<u>3,247,882</u>
(Increase)/decrease in stocks	(2,154,385)	391,763
(Increase)/decrease in trade and other debtors	(2,598,877)	504,018
Increase in trade and other creditors	<u>869,746</u>	<u>2,629,625</u>
Cash generated from operations	<u>1,735,343</u>	<u>6,773,288</u>

NORDMANN UK GROUP HOLDINGS LTD

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2021**

26. Cash and cash equivalents

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2021

	31/12/21 £	1/1/21 £
Cash and cash equivalents	<u>5,832,953</u>	<u>5,880,086</u>

Year ended 31 December 2020

	31/12/20 £	1/1/20 £
Cash and cash equivalents	5,880,086	5,067,913
Bank overdrafts	<u>-</u>	<u>(626,999)</u>
	<u>5,880,086</u>	<u>4,440,914</u>

27. Analysis of changes in net funds

	At 1/1/21 £	Cash flow £	At 31/12/21 £
Net cash			
Cash at bank and in hand	<u>5,880,086</u>	<u>(47,133)</u>	<u>5,832,953</u>
	<u>5,880,086</u>	<u>(47,133)</u>	<u>5,832,953</u>
Debt			
Debts falling due within 1 year	<u>(223,879)</u>	<u>223,879</u>	<u>-</u>
	<u>(223,879)</u>	<u>223,879</u>	<u>-</u>
Total	<u>5,656,207</u>	<u>176,746</u>	<u>5,832,953</u>