

# **Duni Limited**

## **Annual report and financial statements for the year ended 31 December 2021**

Registered Number: 00897172



## **Duni Limited**

### **Annual report and financial statements for the year ended 31 December 2021**

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## **Duni Limited**

### **Directors and advisers for the year ended 31 December 2021**

#### **Directors**

P H Fabian  
S M O Lindroth  
D J Fabian

#### **Registered Office**

Duni Limited  
Chester Road  
Preston Brook  
Runcorn  
Cheshire  
WA7 3FR

#### **Independent Auditors**

MHA Moore and Smalley  
80 Mosley Street  
Manchester  
M2 3FX

#### **Solicitors**

DLA Piper Rudrick Gray Cary  
101 Barbirolli Square  
Lower Mosley Street  
Manchester  
M2 3DL

#### **Bankers**

Dansk Bank A/S  
London Branch  
75 King William Street  
London  
EC4N 7DT

## **Duni Limited**

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

The directors have pleasure in presenting their strategic report on the company for the year ended 31 December 2021. The company is a private company, limited by shares and registered within England.

#### **Principal Activities**

The principal activity of the company during the year was as an import merchant of food service and tableware disposable products.

#### **Review of business**

During 2021 the company experienced an increase in turnover of 31% because of the re-opening of the hospitality industry (our major market sector) following Covid restrictions being lifted during the year. Gross profit percentage decreased because of inflationary pressure. Distribution costs increased in line with the volume increase. Fixed costs have been controlled, resulting in the net result for the year being an operating profit of £837,000 (2020: £618,000).

The principal commercial risks and uncertainties faced by the company are in relation to margin erosions. To counteract the competitive pressure emphasis continues to be placed on the sale of premium products and the careful managing of costs to the business. Group suppliers continue to support the business and the maintenance of margins.

Overall, there has therefore been an increase in shareholders' funds from £2,724,000 to £5,651,000. Net current assets have increased from £5,692,000 to £5,776,000. The increase in the shareholders' funds is primarily due to the actuarial gain on the pension asset value performance at 31 December 2021. The company continues to enjoy a strong financial position.

The directors consider that the company is in a good position to sustain its profitable trading in future years.

#### **Principal risks and uncertainties**

The principal risk areas to the business is the loss of key accounts and the maintenance of the margin. The company addresses the risks by maintaining close contact with all its key customers and offering business solutions and products which are attractive to our customers, particularly in the premium product area. This also helps the company to maintain its margin despite competitive and supplier pressures.

#### **Financial risk management**

The company's operations expose it to a variety of financial risks that include foreign exchange risk, interest rate risk and credit risk. Foreign exchange rate risk arises from transactions when goods and services are bought or sold in currencies other than Sterling. Significant transactions in foreign currencies are managed by product ranges offered and gaining assistance from its fellow group suppliers.

All of the company's funding is provided via a cashpool facility. During the year under report, interest rate risk included exposure to changes in LIBOR where interest rates are variable. Since the year end date, the interest rate risk includes exposure to SONIA in respect of variable interest rates. At the balance sheet date the company is a net lender to Duni AB, the ultimate parent company.

## **Duni Limited**

### **Strategic Report for the year ended 31 December 2021 (Continued)**

#### **Financial risk management (continued)**

The effects of credit risk are controlled as the company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed by the Board. The Board receives regular reports on amounts due and amounts significantly overdue and the relevant action taken.

As a subsidiary of Duni AB further details of Group policies in relation to external financial risks, can be found in the Annual Report and Financial Statements of Duni AB.

The defined benefit pension scheme operated by the company is susceptible to large fluctuations in valuations as underlying assumptions and actual investment performance vary significantly. In 2021 the investment performance was very good resulting in a substantial increase in the pension asset value.

#### **Future developments**

The directors believe that the strategies and policies that they have put in place will allow the company to trade profitably in future years.

#### **Key performance indicators ("KPIs")**

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. Turnover and gross margin can be derived from the Income Statement on page 9.

#### **Post balance sheet event and going concern**

Following Covid-19 restrictions and the re-opening of hospitality during 2021, the demand for our products has increased. The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the parent company Duni AB, and the knowledge that Duni AB will support the company for the foreseeable future.

On behalf of the board



P H Fabian

Managing Director

05/08/2022

## **Duni Limited**

### **Director's Report for the year ended 31 December 2021**

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

#### **Future developments**

An indication of the likely future developments of the business is included in the Strategic Report on pages 2 and 3.

#### **Charitable and political donations**

There were no charitable or political donations during the financial year (2020: £nil).

#### **Dividends**

No dividend was declared and paid during 2021 (2020: £Nil). No final dividend is recommended by the Directors (2020: £Nil).

#### **Financial risk management**

Financial risk management is described in the Strategic Report on pages 2 and 3.

#### **Directors**

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

P H Fabian

S M O Lindroth

D J Fabian

#### **Directors' indemnities**

The company maintained throughout the year, and at the date of approval of the financial statements, liability insurance for its directors and officers. This is a qualifying provision for the purposes of the Companies Act 2006.

#### **Statement of directors' responsibilities in respect of the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors 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.

## **Duni Limited**

### **Director's Report for the year ended 31 December 2021 (continued)**

#### **Statement of directors' responsibilities in respect of the financial statements (continued)**

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.

#### **Statement of disclosure of information to auditors**

In the case of each of the persons who are directors at the time when the report is approved under section 418 of the Companies Act 2006 the following applies:

- so far as the directors are aware, there are no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **Independent auditors**

The auditors, MHA Moore and Smalley have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the board



P H Fabian  
Managing Director

05/08/2022

Registered number: 00897172

## **Duni Limited**

### **Independent auditors' report to the members of Duni Limited**

#### **Opinion**

We have audited the financial statements of Duni Limited (the 'company') for the year ended 31 December 2021 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity 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 FRS 101 'Reduced Disclosure Framework' (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 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 the 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.



## **Independent auditors' report to the members of Duni Limited**

### **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.

### **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.

### **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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, are detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations; together with reviewing board meeting minutes;
- Enquiries with management about any known or suspected instances of fraud;
- Examination of journal entries and other adjustments to test for appropriateness and identify any instances of management override of controls; and
- Reviewing payroll records and claims made in the year under the Coronavirus Job Retention Scheme.

## **Duni Limited**

### **Independent auditors' report to the members of Duni Limited**

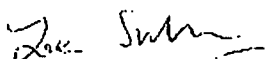
Because of the field in which the client operates we identified that employment law, compliance with the UK Companies Act and compliance with relevant pensions regulations are the areas most likely to have a material impact on the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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

#### **Use of our report**

This report is made solely to the 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.



**Joe Sullivan (Senior Statutory Auditor)**  
**For and on behalf of MHA Moore and Smalley**  
**Chartered Accountants**  
**Statutory Auditor**

80 Mosley Street  
Manchester  
M2 3FX

05/08/2022

## Duni Limited

### Income Statement for the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
<b>Turnover</b>	<b>3</b>	<b>19,491</b>	<b>14,881</b>
Cost of sales		(12,881)	(9,253)
Gross profit		6,610	5,628
Sales & Distribution costs		(5,215)	(4,493)
Administrative Expenses		(609)	(613)
Other operating income		51	96
<b>Operating profit</b>		<b>837</b>	<b>618</b>
Interest income		4	2
Interest payable and similar expenses	6	(59)	(73)
<b>Profit before taxation</b>	<b>7</b>	<b>782</b>	<b>547</b>
Tax on profit	8	(73)	(100)
<b>Profit for the financial year</b>		<b>709</b>	<b>447</b>

All results derive from continuing operations

### Statement of Comprehensive Income for the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Profit for the financial year		709	447
Other comprehensive expense: Items that will not be reclassified to profit or loss			
Gross actuarial gain/(loss) on defined benefit pension scheme	17	2,994	(740)
Tax on profit on gross actuarial gain/(loss)	13	(569)	125
Provision against net pension asset	17	(256)	-
Tax on provision against net pension asset	13	49	-
Total other comprehensive expense, net of tax		2,218	(615)
<b>Total comprehensive gain/(loss) for the year</b>		<b>2,927</b>	<b>(168)</b>

# Duni Limited

## Statement of Financial Position as at 31 December 2021

	Note	2021 £'000	2020 £'000
<b>Fixed assets</b>			
Tangible assets owned	10	3	6
Owned right-of-use	11	467	601
		<b>470</b>	<b>607</b>
<b>Current assets</b>			
Debtors	12	10,440	8,194
Deferred tax asset	13	55	527
<b>Total of current assets</b>		<b>10,495</b>	<b>8,721</b>
<b>Creditors: amounts falling due within one year</b>	14	<b>(4,719)</b>	<b>(3,029)</b>
<b>Net current assets</b>		<b>5,776</b>	<b>5,692</b>
<b>Total assets less current liabilities</b>		<b>6,246</b>	<b>6,299</b>
<b>Creditors amounts falling due after more than one year</b>	15	<b>(417)</b>	<b>(532)</b>
<b>Provisions for liabilities</b>	16	<b>(178)</b>	<b>(183)</b>
<b>Net assets excluding pension deficit</b>		<b>5,651</b>	<b>5,584</b>
<b>Pension deficit</b>	17	<b>-</b>	<b>(2,860)</b>
<b>Net assets including pension deficit</b>		<b>5,651</b>	<b>2,724</b>
<b>Capital and reserves</b>			
Called up share capital	18	75	75
Profit and loss account		5,576	2,649
<b>Total shareholders' funds</b>		<b>5,651</b>	<b>2,724</b>

The financial statements were approved by the board of directors on 05/08/2022..... and were signed on its behalf by:



P H Fabian  
Managing Director  
Duni Limited

Registered number: 00897172

## Duni Limited

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

	Called up Share Capital £'000	Profit & Loss Account £'000	Total £'000
<b>Balance at 1 January 2020</b>	<b>75</b>	<b>2,817</b>	<b>2,892</b>
Profit for the financial year	-	447	447
Other comprehensive expense, net of tax:-			
Actuarial loss on defined benefit plans	-	(615)	(615)
Dividend paid to Shareholders 2020	-	-	-
<b>Balance at 31 December 2020</b>	<b>75</b>	<b>2,649</b>	<b>2,724</b>
Profit for the financial year	-	709	709
Other comprehensive income, net of tax:-			
Actuarial gain on defined benefit plans	-	2,425	2,425
Provision against net pension asset	-	(207)	(207)
<b>Balance at 31 December 2021</b>	<b>75</b>	<b>5,576</b>	<b>5,651</b>

# Duni Limited

## Notes to the financial statements for the year ended 31 December 2021

### 1. Accounting Policies

#### GENERAL INFORMATION

Duni Limited ("the company") is a limited company domiciled and incorporated in the UK. The principal activity is included in the Strategic Report on page 2.

The address of the company's registered office is Chester Road, Preston Brook, Runcorn, Cheshire, WA7 3FR.

#### BASIS OF ACCOUNTING

These financial statements of Duni Limited are prepared on a going concern basis in accordance with the Companies Act 2006 as applicable to companies using Financial Reporting Standard 101- Reduced Disclosure Framework (FRS 101). The financial statements have been prepared under the historical cost convention and the accounting policies are consistent with those used in previous years.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

#### REDUCED DISCLOSURES

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101.

The Company has notified its shareholders about, and they do not object to, the use of the disclosure exemptions used by the Company in the financial statements.

- IFRS 7 'Financial instruments: disclosures'.
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, plant and equipment;
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - -10(d) (statement of cash flows);
  - -10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
  - -16 (statement of compliance with all IFRS);
  - -38A (requirement for minimum of two primary statements, including cash flow statements);
  - -38B-D (additional comparative information);
  - -40A-D (requirements for a third statement of financial position);
  - -111 (cash flow statement information);
  - -134-136 (capital management disclosures), and
  - -IAS 7 statement of cash flows.

## Duni Limited

### Notes to the financial statements for the year ended 31 December 2021 (continued)

#### 1 Accounting Policies (continued)

- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation). The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

#### PARENT COMPANY

The directors regard Duni AB, a company incorporated in Sweden, as the ultimate parent company and controlling party.

Duni AB is the parent company of the largest and smallest group of which Duni Limited is a member and for which group financial statements are drawn up. Copies of these group financial statements are available from Box 237, SE-201 22 Malmö, Sweden.

#### GOING CONCERN

Due to the full re-opening of the hospitality sector, the main area of trade and demand for Duni products, sales continues to increase and the expectation is to return to pre-pandemic 2019 levels over the coming years. The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the parent company Duni AB, and the appropriate knowledge that Duni AB will support the company for the foreseeable future. The company also enjoys strong financial strength as evidenced by its balance sheet at 31 December 2021.

#### CURRENT AND DEFERRED TAX

The tax expense for the period 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 shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

**Notes to the financial statements for the year ended 31 December 2021 (continued)**

**1 Accounting Policies (continued)**

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

**PENSION OBLIGATIONS**

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the reporting in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to shareholders' funds in other comprehensive income in the period in which they arise.

The amount charged or credited to finance costs is a net interest amount calculated by applying the liability discount rate to the net defined benefit liability or asset. The change in the defined benefit obligation arising from employee service during is recognized as an employee cost. Past-service costs are also recognised immediately in the income statement.

The deferred tax relating to the defined pension obligation is not offset against this balance. Instead it is included with other deferred tax assets or liabilities as may be the case, as shown in note 13 to the financial statements.



**Notes to the financial statements for the year ended 31 December 2021 (continued)**

**1 Accounting Policies (continued)**

**PROPERTY, PLANT AND EQUIPMENT**

Assets are stated at cost less depreciation. The cost of assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Leasehold improvements	Shorter of useful life & period of lease
Furniture and fittings	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

**FINANCIAL INSTRUMENTS**

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

**Impairment of financial assets**

***Assets carried at amortised cost***

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

**Trade and other debtors**

Trade and other debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other debtors are recognised initially at fair value. An allowance account for trade receivables is used to record any impairment losses unless the company is satisfied that no recovery of the amount owing is probable; at that point the amounts considered irrecoverable are written off against the trade receivables directly.

**Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

**Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**Notes to the financial statements for the year ended 31 December 2021 (continued)**

**1 Accounting Policies (continued)**

**OPERATING LEASES**

A contract is or contains a lease if it conveys to the lessee the right-of-use an asset for an agreed period of time in return for a payment or series of payments. Most leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the company. Each lease payment is allocated between repayment of the lease liability and finance cost. The finance cost is charged to the income statement over the lease term to produce a constant periodic rate of interest on the lease liability. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease liability is initially measured as the present value of future lease payments, discounted using the interest rate implicit in the lease. Where this rate is not determinable, the Company's incremental borrowing rate is used, which is the interest rate the company would have to pay to borrow the amount necessary to obtain an asset of similar value, in a similar economic environment with similar terms and conditions. The carrying amounts of the company's right-of-use assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. Payments in respect of leases with a duration of less than one year, low-value leases and leases of intangible assets are charged to the income statement on a straight-line basis over the lease term.

**GOVERNMENT GRANTS**

Government grants are recognised when there is a reasonable assurance that the grant conditions will be met and the grants will be received.

**TURNOVER**

Turnover, which excludes value added tax represents the invoiced value of goods supplied less trade rebates, and is recognised at the point of receipt by the customer. Provision is made for trade rebates at the time of sale in accordance with individual customer agreements.

**FOREIGN CURRENCY**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges.

**PROVISIONS**

Provisions are recognised when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligations and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### FUNCTIONAL AND PRESENTATIONAL CURRENCY

The financial statements are presented in sterling which is also the functional currency of the company.

## 2 Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

### Impairment of trade debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the credit rating of the receivable, the ageing profile of debtors and historical experience. See note 12 for the net carrying amount of the debtors and associated impairment provision.

### Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the reporting. The assumptions reflect historical experience and current trends. See note 17 for the disclosures of the defined benefit pension scheme.

## 3 Turnover

The directors believe that the company operates in one business segment. The geographical split of turnover is as follows:

	2021 £'000	2020 £'000
United Kingdom	18,680	14,289
Rest of Europe	811	592
	19,491	14,881

## Duni Limited

### Notes to the financial statements for the year ended 31 December 2021 (continued)

#### 4 Directors' emoluments

Remuneration paid to the directors for their services to the company during the year ended 31 December 2021 was:

	2021 £'000	2020 £'000
Aggregate emoluments (including benefits in kind)	224	194
Company pension contribution	49	35
	<b>273</b>	<b>229</b>

Retirement benefits are accruing to two directors (2020: two directors) under the company's pension scheme. The emoluments of the highest paid director, including company pension contribution was £186,000 (2020: £150,000). In addition the highest paid director had accrued pension of £46,000 (2020: £42,000) and an accrued lump sum of £205,000 (2020: £183,000) under the company's defined benefit scheme.

#### 5 Employee information

The average monthly number of persons employed by the company during the year was:

	Note	2021 Number	2020 Number
Sales and administration		17	19

		2021 £'000	2020 £'000
Staff costs			
Wages and salaries		836	789
Social Security costs		92	86
Other pension costs including salary sacrifice – defined benefit	17	479	406
– defined contribution		22	11
		<b>501</b>	<b>417</b>
<b>Total employment costs</b>		<b>1429</b>	<b>1,292</b>
<b>Redundancy costs</b>		<b>-</b>	<b>231</b>

# Duni Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 6 Interest payable and similar expenses

	Note	2021 £'000	2020 £'000
Other		-	1
Right of use assets		19	23
Net pension interest	17	40	49
		<b>59</b>	<b>73</b>

### 7 Profit before taxation

	2021 £'000	2020 £'000
Profit before taxation is stated after charging/(crediting)		
Depreciation charge for the year		
Owned Property, Plant and Equipment	3	4
Right-of-use assets	120	126
Auditors' remuneration for audit services	23	21
Auditors' remuneration for other services	-	3
Establishment of right-of-use assets at 1 January 2020		-
Foreign exchange gains	(8)	(6)
Impairment of trade debtors		-
Purchase of goods sold	12,881	9,253

### 8 Tax on profit

	Note	2021 £'000	2020 £'000
<b>Current tax:</b>			
UK Corporation tax on profit for the year		(121)	(69)
Adjustment in respect of prior years'		-	1
<b>Total current tax</b>		<b>(121)</b>	<b>(68)</b>
<b>Deferred tax:</b>			
Utilisation of deferred tax asset	13	(4)	(1)
Changes in corporation tax rate	13	13	4
Adjustment in respect of prior years'	13	62	(1)
Net pension cost charge in excess of pension contribution relief	13	(23)	(34)
<b>Total deferred tax</b>		<b>48</b>	<b>(32)</b>
<b>Tax on profit</b>		<b>(73)</b>	<b>(100)</b>

## Duni Limited

### Notes to the financial statements for the year ended 31 December 2021 (continued)

#### 8 Tax on profit (continued)

The tax assessed for the year differs (2020: differs) from the standard rate of corporation tax in the UK. The differences are explained below;

	2021 £'000	2020
<b>Profit before taxation</b>	<b>782</b>	<b>547</b>
Profit before taxation multiplied by the standard rate of corporation tax in the UK 19% (2020:19%)	<b>(149)</b>	<b>(104)</b>
Effects of:		
Expenses not deductible for tax purposes	<b>1</b>	-
Use of different tax rate for deferred tax provision	<b>13</b>	4
Adjustment to prior year	<b>62</b>	-
<b>Total tax charge for the year</b>	<b>(73)</b>	<b>(100)</b>

The Chancellor stated his intention to maintain the main rate of corporation tax at 19%. This change to previously announced policy was substantively enacted on 17 March 2020. The Chancellor subsequently announced his intention to increase the headline rate of corporation tax to 25% from 1 April 2023, this policy was substantively enacted on 25 May 2021.

#### 9 Dividend paid to Shareholders for 2021

No interim dividend (2020: £Nil) was paid during the year. No final dividend has been proposed by the directors (2020: £Nil).

**Duni Limited**
**Notes to the financial statements for the year ended 31 December 2021 (continued)**
**10 Tangible assets – Owned**

	Leasehold Improvements £'000	Furniture & Fittings £'000	Total £'000
<b>Cost</b>			
At 1 January 2021	154	63	217
Additions	-	-	-
Disposals	-	-	-
<b>At 31 December 2021</b>	<b>154</b>	<b>63</b>	<b>217</b>
<b>Accumulated depreciation</b>			
At 1 January 2021	154	57	211
On disposals	-	-	-
Charge for the year	-	3	3
<b>At 31 December 2021</b>	<b>154</b>	<b>60</b>	<b>214</b>
<b>Net book value</b>			
<b>At 31 December 2021</b>	<b>-</b>	<b>3</b>	<b>3</b>
At 31 December 2020	-	6	6

**11 Tangible assets – Right-of-use assets**

	Property £'000	Furniture & fittings £'000	Vehicles £'000	Total £'000
<b>Cost</b>				
At 1 January 2021	914	6	119	1,039
Revaluation	(23)	-	(2)	(25)
Additions	-	-	-	-
Disposals	-	-	-	-
<b>At 31 December 2021</b>	<b>891</b>	<b>6</b>	<b>117</b>	<b>1,014</b>
<b>Accumulated depreciation</b>				
At 1 January 2021	381	3	54	438
Revaluation	(10)	-	(1)	(11)
On disposals	-	-	-	-
Charge for the year	89	1	30	120
<b>At 31 December 2021</b>	<b>460</b>	<b>4</b>	<b>83</b>	<b>547</b>
<b>Net book value</b>				
<b>At 31 December 2021</b>	<b>431</b>	<b>2</b>	<b>34</b>	<b>467</b>
At 31 December 2020	533	3	65	601

## Duni Limited

### Notes to the financial statements for the year ended 31 December 2021 (continued)

#### 12 Debtors

	2021 £'000	2020
Trade debtors	5,354	3,577
Amounts owed by group undertakings:		
Trade	90	15
Loans	4,974	4,476
Prepayments and accrued Income	12	15
Other Debtors	10	111
	<b>10,440</b>	<b>8,194</b>

The group loan is repayable on demand and variable rates of interest are applied based on the bank rate. Trade debtors are stated net of a provision of £Nil (2020: £1,000).

#### 13 Deferred tax asset

Deferred tax asset comprises:

	Note	2021 £'000	2020 £'000
Other timing differences		55	41
Pension deficit		-	486
		<b>55</b>	<b>527</b>
At 1 January		<b>527</b>	434
Utilisation of deferred tax asset – short term timing differences	8	(4)	(1)
Net pension cost charge (less) than pension contribution relief	8	(23)	(34)
Change in tax rate	8	13	4
Adjustments in respect of prior years	8	62	(1)
Included in other comprehensive income		(520)	125
At 31 December		<b>55</b>	<b>527</b>

The directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset, and therefore the asset has been recognised in these financial statements. It is not known to what degree, if any, the deferred tax asset will reverse over the next 12 months.



## Duni Limited

### Notes to the financial statements for the year ended 31 December 2021 (continued)

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

	2021 £'000	2020 £'000
Trade creditors	266	308
Amounts owed to group undertakings – Trade	1,585	392
Taxation and social security	1,053	801
Accruals and deferred income	1,628	1,348
Corporation tax	98	64
Discounted leasing obligation	89	116
	<b>4,719</b>	<b>3,029</b>

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

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

	2021 £'000	2020 £'000
Discounted leasing obligation	417	532

#### 16 Provision for liabilities

Provisions comprise amounts for the future medical health insurance costs of a former employee:

	2021 £'000	2020 £'000
At 1 January	183	185
Payments in the year	(2)	-
(Credited)/Charged in the year	(8)	(4)
Amortisation of discount	5	(4)
At 31 December	<b>178</b>	<b>183</b>

The provision for future medical health insurance is established by discounting the expected future costs, after an allowance for inflation, by a discount based on the government gilt rate.

## Duni Limited

### Notes to the financial statements for the year ended 31 December 2021 (continued)

#### 17 Pension Deficit

The company operates a defined benefit scheme in the UK, the Duni Limited Pension Scheme. The disclosures set out below are based on calculations carried out as at 31 December 2021 by a qualified independent actuary, Atkin Pensions.

For the year ended 31 December 2021, the employer contributed £641,000 (2020: £633,000) to the scheme. This comprises

- a) the employer contributions at the rates set out in the schedule of contributions. At the commencement of the year this was 13% of pensionable salaries and continued throughout the year.
- b) a lump sum contribution of £500,000 was paid in October 2021 in accordance with the recommendations arising from the scheme's triennial valuation at 5 April 2019.

These figures do not include the employer contributions which are payable in respect of salary sacrifices by the member. Legally these contributions are not member contributions but they are being treated as such for the purpose of this report, as this more accurately reflects the nature of the transaction. In addition, the employer is also paying the administration costs of operating the scheme, and is paying any Pension Regulator and Pension Protection Fund invoices.

The scheme's assets are held in a separate trustee-administered fund to meet long-term pension liabilities to past and present employees. The trustees are required to act in the best interests of the scheme's beneficiaries. The appointment of the trustees board is determined by the trust documentation.

The liabilities of the scheme are measured by discounting the best estimate of future cash flows to be paid out by the scheme using the projected unit method. The projected unit method is an accrued benefits valuation method in which the scheme's liabilities make allowance for projected earnings.

The risks of the scheme are as follows:

##### **(a) Asset volatility**

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit. The plan holds a significant proportion of equities, which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term.

However, the company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity investment is an appropriate element of the group's long term strategy to manage the plans efficiently.

##### **(b) Changes in bond yields**

A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

##### **(c) Life expectancy**

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities.

# Duni Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 17 Pension Deficit (continued)

#### (d) Inflation risk

The pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the plan's assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.

The liabilities set out in this note have been calculated by Paul Griffin of Atkin Pensions, an independent actuary, based on the most recent full actuarial valuation at 5 April 2019, updated to 31 December 2021 on a projected unit basis. The results of the calculations and the assumptions adopted are shown below.

The valuation has been based on the following assumptions:	2021 %	2020 %
Rate of increases in salaries	4.30	3.60
Rate of increase in pension payments – Retail Price Index	3.30	2.85
Rate of increase in pension payments – Consumer Price Index	2.95	2.50
Discount rate for liabilities	1.95	1.45
Inflation assumption	3.30	2.85
Revaluation of deferred pensions	2.95	2.50

The mortality assumptions used were as follows:	2021 years	2020 years
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#### Average life expectancies

Retiring at reporting date (age 65)	22.6	22.6
Retiring at reporting date +20 years (aged 65)	24.1	24.1

#### Reconciliation of scheme assets and liabilities:

	Note	Assets £'000	Liabilities £'000	Total £'000
At 1 January 2021		15,383	(18,243)	(2,860)
Benefits paid		(253)	253	-
Employer contributions		641	-	641
Current service cost		-	(479)	(479)
Interest Income/(expense)	6	226	(266)	(40)
Actuarial gain/(loss)		2,264	730	2,994
At 31 December 2021		18,261	(18,005)	256
Provision				(256)
At 31 December 2021				0

## Duni Limited

### Notes to the financial statements for the year ended 31 December 2021 (continued)

#### 17 Pension Deficit (continued)

The directors consider that it is highly unlikely that the company can recover the scheme surplus, either through reduced future contributions or through refunds from the defined benefit pension fund. They have therefore fully provided against the net pension scheme asset of £256,000 and the carrying value included within the balance sheet is Nil.

The actuarial loss for the defined obligation liabilities comprises:

	2021 £'000	2020 £'000
Gain/(loss)		
Arising from changes in assumptions		
Discount rate	1,938	(2,491)
Inflation	(1,303)	1,703
Mortality	(121)	(51)
	514	(839)
Actual experienced gain/(loss)	2,480	(165)
Actuarial gain/(loss)	2,994	(1,004)

The average duration of the benefit obligation is 22 Years (2020: 24 years). Approximately 38% (2020:35%) of the liabilities are attributable to current employees, 36% (2020: 35%) to former employees and 26% (2020: 30%) to pensioners.

Company contributions for future years will be in accordance with the Recovery Plan agreed between the company and the Trustees of the Duni Limited Pension Scheme, plus the current service cost and payment of the PPF levy and scheme expenses. The Recovery Plan agreed in 2020 requires the company to pay £500,000 in 2022 and a further £2,250,000 in the next 3 years. The Recovery Plan is supported by Duni AB.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is: Impact on defined benefit obligation ("DBO").

	Change in assumptions	Effect on DBO if assumption increased	Effect on DBO if assumption decreased
Discount growth rate	0.5%	Decrease by 9.4%	Increase by 10.9%
Salary growth rate	0.5%	Increase by 2.3%	Decrease by 2.1%
Pension growth rate	0.25%	Increase by 4.3%	Decrease by 4.1%
Life expectancy	1 year	Increase by 4.5%	Decrease by 4.9%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied as when calculating the pension liability recognized within the statement of financial position.

## Duni Limited

### Notes to the financial statements for the year ended 31 December 2021 (continued)

#### 17 Pension Deficit (continued)

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

##### Total cost recognised as an expense:

	Note	2021 £'000	2020 £'000
Current service cost	5	(479)	(406)
Interest cost	6	(40)	(49)
		(519)	(455)

The fair value of the plan assets was:

	2021 £'000	2020 £'000
Equities	14,062	12,183
Property	1,643	1,308
Corporate bonds	1,826	1,342
Cash	730	550
	18,261	15,383

The pension plan assets do not include ordinary shares issued by the sponsoring employer nor do they include property occupied by the sponsoring employer.

The net interest cost of the plan was:

	2021 £'000	2020 £'000
Interest income	226	296
Interest expense	(266)	(345)
	(40)	(49)

#### 18 Called up share capital

	2021 £'000	2020 £'000
<b>Authorised</b>		
7,000,000 (2020: 7,000,000) ordinary shares of £1 each	7,000	7,000
<b>Allotted and fully paid</b>		
74,918 (2020: 74,918) ordinary shares of £1 each	75	75

## Duni Limited

### Notes to the financial statements for the year ended 31 December 2021 (continued)

#### 19 Discounted leasing obligations

Operating leases are disclosed as financial liabilities and are reconciled to the commitment as follows:-

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Commitment	<b>551</b>	716
Impact of finance charges	<b>(45)</b>	(68)
	<b>506</b>	648

The total liability is included in the accounts as follows;

	Note	<b>2021</b>	<b>2020</b>
		<b>£'000</b>	<b>£'000</b>
Creditors: amounts falling due within one year	14	<b>89</b>	116
Creditors: amounts falling due after one year	15	<b>417</b>	532
		<b>506</b>	648

#### 20 Ultimate and immediate parent companies

The directors regard Duni Holding BV, a company incorporated in the Netherlands, as the immediate parent company and Duni AB, a company incorporated in Sweden, as the ultimate parent company. According to the register kept by the company, Duni Holding BV has a 100% interest in the equity capital of Duni Limited as at 31 December 2021. Duni AB is the smallest and largest company to consolidate these financial statements. Copies of Duni AB consolidated financial statements may be obtained from:

Duni AB  
Box 237  
SE-201 22 Malmö  
Sweden

The directors consider the ultimate controlling party to be Duni AB.