

Company registration number 03765504 (England and Wales)

DAYES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

DAYES LIMITED

COMPANY INFORMATION

Directors	Mr W B J Meijerink Mr W M W Poppelaars Mr N Squire
Company number	03765504
Registered office	1-5 Masterlord Industrial Estate Station Road Leiston Suffolk IP16 4JD
Auditor	Sumer Auditco Limited The Beehive Beehive Ring Road London Gatwick Airport Gatwick United Kingdom RH6 0PA

DAYES LIMITED

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DAYES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

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

Review of the business

2023 was a recovery year following soft sales in 2022 in response to realising record sales in kitchenware through 2021 & 2020. The supply chain challenges of 2022 took until the mid-year to normalise, in particular driving out the high freight element of stock, due to significantly increased inbound freight costs caused by high container rates in the previous year.

Despite the loss of Wilko from the High Street in the middle of the year this did not materially impact profitability or turnover.

The UK economy continues to remain challenging, but forward orders for the first half year are strong and we anticipate stable margins with the higher sales mix of cooking and cleaning products, coupled with more streamlined operations and lower fixed costs.

Relationships with our key retail customers and supplier base remain strong, with major development projects in place for 2024/5

The company continued to develop multi-channel distribution across its branded and own brand offer.

The business continues with a positive Balance Sheet position and liquidity allowing Dayes Limited to be able to meet its current obligations as they fall due.

Principal risks and uncertainties

Reliance on key customers

Whilst the company engages with a wide range of customers, the company remains alert to the risk of reliance on key large customers and monitors this on an ongoing basis. Major customer reliance has reduced in the year resulting in a greater spread of turnover across wider portfolio of customers.

Foreign currency volatility

As much of our product is imported, we are vulnerable to significant currency fluctuations, and have been adversely impacted by the weakening in the exchange rate, but the company uses forward exchange contracts to minimise this risk.

Freight, energy, and general cost of goods

We continue to operate in very challenging cost conditions, particularly with energy and increasing labour costs; but in the later part of 2022 and early 2023 we have seen a significant easing of inbound freight rates which will help moderate the impact of the increase in consumer prices.

Key performance indicators

The Directors consider the key performance indicators of the company to be:

(i) EBITDA (Before exceptional items) for the financial year was £745,752 versus the prior year of £293,144 reflecting the concentration on core product lines as well as reducing carriage and freight costs in the year.

(ii) A current ratio of 1.19 (2022: 1.40) being the ratio of current assets to current liabilities. Management consider this to be a positive indicator of the ability of the business to meet its short term obligations.

On behalf of the board

Mr N Squire
Director

24 April 2024

DAYES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

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

Principal activities

The principal activity of the company in the year under review was that of importation, marketing and sale of household and beauty products.

Results and dividends

The results for the year are set out on page 7.

An interim dividend of £2.9013 per shares on the Ordinary £1 shares was paid on 31 December 2023. The directors recommend that no final dividend be paid on these shares.

No interim dividend was paid on the Ordinary B £1 shares. The directors recommend that no final dividend be paid on these shares.

The total distribution of dividends for the year ended 31 December 2023 will be £1,000,000.

Directors

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

Mr W B J Meijerink
Mr W M W Poppelaars
Mr N Squire

Qualifying third party indemnity provisions

A qualifying third-party indemnity provision as defined in section 234 of the Companies Act 2006 was in force throughout the financial year and to the date of signing for the benefit of each of the directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which directors may not be indemnified, the company maintained a directors' and officers' liability insurance policy throughout the financial year and up to the date of signing the financial statements.

Financial instruments

Objectives and policies

The Company's operations expose it to a variety of financial risks that include credit risk, liquidity risk, cash flow risk and foreign exchange risk (as referred to above). Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee board. The policies set by the board of directors are implemented by the Company's finance department.

Liquidity and cash flow risk

The Company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring it has sufficient liquid resources to meet the operating needs of the business. The Company also has access to short-term inter-company financing when required.

The company is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on bank overdrafts and loans.

Credit risk

Investments of cash surpluses and borrowings are made through banks and institutions which must fulfil credit rating criteria approved by the Board. All customers who wish to trade on credit terms are subject to credit verification procedures and we utilise credit insurance to minimise any risk. Trade debtors are reviewed on a regular basis and provision is made for doubtful debts when necessary.

DAYES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Foreign exchange risk

The Company is exposed to currency risk on purchases, sales and borrowings that are denominated in a currency other than the respective functional currency which is in pound sterling. The company's balance sheet is exposed to movement in GBP/US\$ and GBP/EUR. The company uses forward exchange contracts on their main purchases in US\$ to minimise the risk.

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement of disclosure to auditor

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

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board

Mr N Squire

Director

24 April 2024

DAYES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAYES LIMITED

Opinion

We have audited the financial statements of Dayes Limited (the 'company') for the year ended 31 December 2023 which comprise 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

DAYES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DAYES LIMITED

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 or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 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.

Based on our understanding of the company and the industry in which it operates, we identified principal risks of non-compliance with laws and regulations related to breaches of the Sale of Goods Act 1979 and employment laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. Additionally, we considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined the principal risks related to posting journal entries to manipulate financial performance, of management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions. Audit procedures performed by the engagement team included:

- Discussions with management and those charged with governance including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluation and testing of the operating effectiveness of management's entity level controls designed to prevent and detect irregularities;
- Performing testing on month-end adjustments;
- Incorporating unpredictability into the nature, timing and/or extent of our testing;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Identifying and testing journal entries, in particular any journal entries posted by infrequent users or senior management or posted with descriptions indicating a higher level of risk.

Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

DAYES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF DAYES LIMITED

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.

Mr Alan Edward Jones FCCA
Senior Statutory Auditor
For and on behalf of Sumer Auditco Limited

24 April 2024

Chartered Accountants
Statutory Auditor

The Beehive
Beehive Ring Road
London Gatwick Airport
Gatwick
United Kingdom
RH6 0PA

DAYES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

		2023 £	2022 £
	Notes		
Turnover	2	19,070,953	21,343,213
Cost of sales		(12,265,448)	(14,753,441)
Gross profit		6,805,505	6,589,772
Distribution costs		(3,357,201)	(3,396,543)
Administrative expenses		(2,993,564)	(3,154,351)
Operating profit	4	454,740	38,878
Interest receivable and similar income	7	6,425	-
Interest payable and similar expenses	8	(188,391)	(148,518)
Profit/(loss) before taxation		272,774	(109,640)
Tax on profit/(loss)	9	(89,900)	38,933
Profit/(loss) for the financial year		182,874	(70,707)

DAYES LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Goodwill	11		-		29,861
Other intangible assets	11		123,862		154,828
Total intangible assets			123,862		184,689
Tangible assets	12		1,700,877		1,710,847
			1,824,739		1,895,536
Current assets					
Stocks	14	3,897,466		5,461,680	
Debtors	15	3,507,750		4,670,592	
Cash at bank and in hand		127,683		441,790	
			7,532,899		10,574,062
Creditors: amounts falling due within one year	16	(6,302,393)		(7,542,775)	
Net current assets			1,230,506		3,031,287
Total assets less current liabilities			3,055,245		4,926,823
Creditors: amounts falling due after more than one year	17		-		(1,050,000)
Provisions for liabilities					
Deferred tax liability	19	34,679		39,131	
			(34,679)		(39,131)
Net assets			3,020,566		3,837,692
Capital and reserves					
Called up share capital	21		362,820		362,820
Share premium account			1,529,064		1,529,064
Capital redemption reserve			55,000		55,000
Profit and loss reserves			1,073,682		1,890,808
Total equity			3,020,566		3,837,692

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 24 April 2024 and are signed on its behalf by:

Mr N Squire

Director

Company registration number 03765504 (England and Wales)

DAYES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2022		362,820	1,529,064	55,000	2,961,515	4,908,399
Year ended 31 December 2022:						
Loss and total comprehensive income		-	-	-	(70,707)	(70,707)
Dividends	10	-	-	-	(1,000,000)	(1,000,000)
Balance at 31 December 2022		362,820	1,529,064	55,000	1,890,808	3,837,692
Year ended 31 December 2023:						
Profit and total comprehensive income		-	-	-	182,874	182,874
Dividends	10	-	-	-	(1,000,000)	(1,000,000)
Balance at 31 December 2023		362,820	1,529,064	55,000	1,073,682	3,020,566

DAYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Company information

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

1.1 Accounting convention

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

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

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Dayes B.V., the immediate parent company, and Nexus Newco B.V., the ultimate parent company. These consolidated financial statements are available from the Dutch Registrar.

DAYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.2 Going concern

At the balance sheet date the company had a significant cash balance and a strong net current asset position. The company's forecasts show that the company can operate within the level of its current facilities.

At the date of signing these accounts the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the period of at least 12 months from the date of signing these accounts. The company therefore continues to adopt the going concern basis in preparing the financial statements.

Significant judgements and estimates

The preparation of the financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its own 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 further below.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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 period are addressed below:

Useful economic lives of tangible assets

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

1.3 Turnover

Revenue is measured at the fair value of consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added taxes.

The company recognises revenue when (a) significant risks and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to each of the company's sales channels have been met as described below.

DAYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

The company buys and sells a range of household and beauty products in the wholesale market. Sales of goods are recognised on delivery to the wholesaler, when the wholesaler has full discretion over the channel and price to sell the product and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the product. Delivery occurs when the goods have been shipped to the location specified by the wholesaler, the risks of obsolescence or loss have been transferred to the wholesaler, the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the company has objective evidence that all criteria for acceptance has been satisfied.

Goods sold to wholesalers are often sold with volume rebates and also with the provision for the wholesale customer to return faulty goods. Sales are measured at the prices specified in the sale contract, net of estimated volume rebates and returns. Volume rebates are assessment based on anticipated annual purchases. Accumulated experience is used to estimate and provide for the discounts and returns.

Sales are normally made with a credit term of 30 to 60 days. The element of financing is deemed immaterial and is disregarded in the measurement of revenue. Provision is made for credit notes based on expected levels of returns which is based on the historical experience of returns.

1.4 Intangible fixed assets - goodwill

Goodwill arising on an acquisition of a business is carried out at cost less accumulated amortisation and impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the company's cash-generating units (or groups of cash-generating units) that is expected to benefit from synergies of the combination.

If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

If the net fair value of the identifiable assets and liabilities acquired exceeds the cost of a business combination, the excess of the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which non-monetary assets are recovered. Any excess exceeding the fair value of non-monetary assets acquired is recognised in profit or loss in the periods expected to be benefited.

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over the useful economic life of the brands concerned by the director as follows.

Goodwill - 10% straight line

1.5 Intangible fixed assets other than goodwill

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

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

Software

Evenly over its estimated useful life of five years.

DAYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when the cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of the assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold land and buildings	0% - 2% on cost
Leasehold improvements	16.7% on cost
Plant and equipment	25% on cost
Fixtures and fittings	16.7% on cost
Computers	10% - 33% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income Statement.

1.7 Stocks

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

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

1.8 Financial instruments

Other financial assets

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

DAYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

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

Derecognition of financial liabilities

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

1.9 Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the 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

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 statement of financial position date.

DAYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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.

1.10 Retirement benefits

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

Annual bonus plan

The company operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the company has a legal or constructive obligation to make payments under the plan as a result of past events and reliable estimate of the obligation can be made.

1.11 Foreign exchange

Foreign currencies transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except where deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings are presented in the profit and loss account.

2 Turnover and other revenue

The revenue and profit (2022 - loss) before taxation are attributable to the one principal activity of the company.

An analysis of revenue by class of geographical market is given below:

	2023	2022
	£	£
Turnover analysed by geographical market		
UK	16,734,316	18,783,427
Europe	1,461,933	1,787,701
Rest of World	874,704	772,085
	<u>19,070,953</u>	<u>21,343,213</u>

DAYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Turnover and other revenue (Continued)

	2023	2022
	£	£
Other revenue		
Interest income	6,425	-
	<u>6,425</u>	<u>-</u>

3 Exceptional item

	2023	2022
	£	£
Expenditure		
Exceptional item - Admin costs	89,810	88,234
	<u>89,810</u>	<u>88,234</u>

The exceptional items of £89,810 in the current year are made up of £55,600 of redundancy costs along with £34,210 of rent and remedial works in relation to a Warehouse lease.

The exceptional items of £88,234 in the previous year are made up of £82,234 of redundancy costs along with £6,000 of exceptional bank charges.

4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(134,878)	(514,723)
Fees payable to the company's auditor for the audit of the company's financial statements	19,500	19,500
Depreciation of owned tangible fixed assets	137,196	136,168
Loss on disposal of tangible fixed assets	2,016	-
Amortisation of intangible assets	60,827	29,864
	<u>60,827</u>	<u>29,864</u>

5 Employees

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

	2023	2022
	Number	Number
Distribution	43	45
Administrative and support	37	35
Management	1	1
Petcare	-	2
	<u>81</u>	<u>83</u>
Total	<u>81</u>	<u>83</u>

DAYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2023**

5	Employees	(Continued)	
	Their aggregate remuneration comprised:		
		2023	2022
		£	£
	Wages and salaries	2,666,397	2,708,230
	Social security costs	249,125	276,629
	Pension costs	136,475	134,294
		<u>3,051,997</u>	<u>3,119,153</u>
6	Directors' remuneration		
		2023	2022
		£	£
	Remuneration for qualifying services	181,935	156,579
	Company pension contributions to defined contribution schemes	20,194	19,508
		<u>202,129</u>	<u>176,087</u>
7	Interest receivable and similar income		
		2023	2022
		£	£
	Interest income		
	Other interest income	6,425	-
		<u>6,425</u>	<u>-</u>
8	Interest payable and similar expenses		
		2023	2022
		£	£
	Interest on bank overdrafts and loans	383	-
	Other interest on financial liabilities	141,859	123,950
	Loss on hedged item in a fair value hedge	46,149	24,568
		<u>188,391</u>	<u>148,518</u>
9	Taxation		
		2023	2022
		£	£
	Current tax		
	UK corporation tax on profits for the current period	94,352	(41,617)
		<u>94,352</u>	<u>(41,617)</u>
	Deferred tax		
	Origination and reversal of timing differences	(4,452)	2,684
		<u>(4,452)</u>	<u>2,684</u>
	Total tax charge/(credit)	<u>89,900</u>	<u>(38,933)</u>

DAYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

9 Taxation

(Continued)

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

	2023 £	2022 £
Profit/(loss) before taxation	272,774	(109,640)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 25.00% (2022: 19.00%)	68,194	(20,832)
Tax effect of expenses that are not deductible in determining taxable profit	504	467
Tax at marginal rate	(5,936)	-
Capital allowances in excess of depreciation	31,590	(21,252)
Movement in deferred tax	(4,452)	2,684
Taxation charge/(credit) for the year	89,900	(38,933)

10 Dividends

	2023 £	2022 £
Interim paid	1,000,000	1,000,000

11 Intangible fixed assets

	Goodwill £	Software £	Total £
Cost			
At 1 January 2023 and 31 December 2023	470,349	154,828	625,177
Amortisation and impairment			
At 1 January 2023	440,488	-	440,488
Amortisation charged for the year	29,861	30,966	60,827
At 31 December 2023	470,349	30,966	501,315
Carrying amount			
At 31 December 2023	-	123,862	123,862
At 31 December 2022	29,861	154,828	184,689

Goodwill relates to the purchase of Manicare and O Elliotts divisions, which were acquired to expand sales of these products. The useful economic life remaining on goodwill is Nil years with a carrying value of £NIL respectively.

Amortisation expense for the current and prior year is included in administrative expenses.

DAYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

12 Tangible fixed assets

	Freehold land and buildings £	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost						
At 1 January 2023	1,891,304	103,938	110,686	577,749	998,553	3,682,230
Additions	-	60,000	-	40,045	29,197	129,242
Disposals	-	-	-	-	(23,665)	(23,665)
At 31 December 2023	1,891,304	163,938	110,686	617,794	1,004,085	3,787,807
Depreciation and impairment						
At 1 January 2023	442,342	15,480	110,685	522,295	880,581	1,971,383
Depreciation charged in the year	28,772	19,222	-	20,027	69,175	137,196
Eliminated in respect of disposals	-	-	-	-	(21,649)	(21,649)
At 31 December 2023	471,114	34,702	110,685	542,322	928,107	2,086,930
Carrying amount						
At 31 December 2023	1,420,190	129,236	1	75,472	75,978	1,700,877
At 31 December 2022	1,448,962	88,458	1	55,454	117,972	1,710,847

Included in cost of land and buildings is freehold land of £485,794 (2022 - £485,794) which is not depreciated.

The Freehold land and buildings was valued at £4,375,000 in November 2021 by Jones Lang LaSalle. In accordance with group accounting policies no revaluation of the asset has been recognised in the Statement of Financial Position.

13 Financial instruments

	2023 £	2022 £
Carrying amount of financial liabilities		
Measured at fair value through profit or loss		
- Forward exchange contracts	71,880	25,731

14 Stocks

	2023 £	2022 £
Finished goods and goods for resale	3,897,466	5,461,680

DAYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

15 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	3,269,179	3,908,889
Corporation tax recoverable	-	114,269
Amounts owed by group undertakings	-	484,344
Other debtors	2,047	4,400
Prepayments and accrued income	236,524	158,690
	<u>3,507,750</u>	<u>4,670,592</u>

16 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	1,533,812	2,395,400
Amounts owed to group undertakings	980,553	171,333
Corporation tax	34,327	-
Other taxation and social security	690,351	815,890
Forward exchange contracts	71,880	25,731
Amounts due to invoice discounter	2,040,930	2,925,783
Accruals and deferred income	950,540	1,208,638
	<u>6,302,393</u>	<u>7,542,775</u>

Amounts owed to group undertakings do not bear interest and are repayable on demand.

17 Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Amounts owed to group undertakings	-	1,050,000
	<u>-</u>	<u>1,050,000</u>

18 Secured Debts

On 1 October 2019, a charge over the freehold property was made in favour of ABN Amro Bank N.V. was lodged with Companies House.

A second fixed and floating charge dated 1 October 2019 in favour of ABN Amro Bank N.V. was registered with Companies House. On 31 March 2022, the company filed a supplemental debenture to this charge, which has included further assets as security.

DAYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2023 £	Liabilities 2022 £
Balances:		
Accelerated capital allowances	34,679	39,131
	<u> </u>	<u> </u>
Movements in the year:		2023 £
Liability at 1 January 2023		39,131
Credit to profit or loss		(4,452)
		<u> </u>
Liability at 31 December 2023		34,679
		<u> </u>

A deferred tax liability has arisen as a result of timing differences between depreciation and capital allowances claims on assets.

20 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	136,475	134,294
	<u> </u>	<u> </u>

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

21 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital Issued and fully paid				
Ordinary of £1 each	344,679	344,679	344,679	344,679
Ordinary B of £1 each	18,141	18,141	18,141	18,141
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	362,820	362,820	362,820	362,820
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Ordinary shares and Ordinary B shares have the following rights, preferences and restrictions:

The holders of Ordinary shares and Ordinary B shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All Ordinary shares and Ordinary B shares rank equally with regard to the company's residual assets.

DAYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

22 Financial commitments, guarantees and contingent liabilities

The company has given a guarantee of £75,000 (2022: £75,000) to HM Revenue & Customs. This was discharged on 3 January 2024.

23 Operating lease commitments

Lessee

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

	2023	2022
	£	£
Within one year	322,816	271,286
Between two and five years	252,198	389,722
	<u>575,014</u>	<u>661,008</u>

24 Ultimate controlling party

The company's immediate parent company is Dayes B.V. incorporated in the Netherlands.

The ultimate parent company is Nexus Newco B.V. incorporated in the Netherlands.

The ultimate controlling party is not any individual party.

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