AnCellTek Holdings Limited

Registered number: 11244743

Annual report and financial statements

For the period ended 31 March 2019

ANCELLTEK HOLDINGS LIMITED

COMPANY INFORMATION

Directors	H Shawkat (appointed 21 June 2018, resigned 17 September 2019) R Long (appointed 9 March 2018) G Fawcett (appointed 17 September 2019) O Abbosh (appointed 9 March 2018)
Company secretary	G Fawcett
Registered number	11244743
Registered office	Hurlingham Business Park Fulbeck Heath Grantham Lincolnshire NG32 3HL
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor Park View House 58 The Ropewalk Nottingham NG1 5DW

ANCELLTEK HOLDINGS LIMITED

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GROUP STRATEGIC REPORT
FOR THE PERIOD ENDED 31 MARCH 2019

Introduction

This is the first period of account for the company following its incorporation on 9 March 2018. Following the acquisition of Consuma Holdings Limited on 30 March 2018 the results of this entity and its subsidiaries were consolidated (together "the Group").

The principal activity of the Company is that of an intermediate holding company.

The principal activity of the Group is the manufacture of own label tissue products for the major retailers.

AnCellTek Holdings Ltd is a holding company that was established by its parent, Better All Round Ltd, for the acquisition of Consuma Holdings Ltd (collectively 'The Group'). AnCellTek Holdings Ltd purchased a majority stake in Consuma Holdings Ltd (collectively 'AnCellTek Group') on 30 March 2018.

Consuma Holdings Ltd, through its operating subsidiary Consuma Paper Products Ltd (collectively 'Consuma') is a leading supplier of private label facial tissues, kitchen towel and toilet roll to UK supermarkets. The business was established in 1974, and from its modern Lincolnshire facility supplies all the major retailers and leading discounters. Consuma converts parent reels using 19 production lines which laminate, print, coat, cut and fold or roll paper to produce high quality products for its customers.

Business review

A summary of the AnCellTek Group's financial results for the period ended 31 March 2019 and certain key financial performance indicators are set out in the table below:

	2019 £000	2018 £000
Turnover	28,718	26,039
Gross Profit	5,703	6,646
Gross Profit %	20%	26%
Operational (loss)/profit	(1,031)	934
Non recurring administrative expense	259	84
Operational (loss)/profit before non recurring expense and asset impairment	(741)	1,018
Adjusted EBITDA *	385	1,712
Adjusted EBITDA %	1%	7%

*Adjusted EBITDA is defined as profit before interest, finance costs, tax, depreciation, amortisation, non recurring administration and asset impairment costs. It is a non-GAAP metric used by management and is not a FRS disclosure.

** Prior period comparatives is for Consuma reporting period ending 24 March 2018, being the most appropriate period.

Revenue

With this being the first reporting period for the acquisition of Consuma, reference to growth is with respect to the historical results of Consuma.

In a challenging year owing to continued rises in pulp pricing as well as ongoing Brexit uncertainty, Consuma turnover grew by 9%, driven by core facial tissue products which accounted for 70% of overall turnover. Growth was also strong for kitchen towel and toilet tissue products. Consuma has retained its loyal customer base throughout the year and additionally it won a significant new contract with a top four supermarket with fulfilment commencing in August 2019. This will add considerable growth to the business in the following year.

Margins

High paper prices and the weaker pound adversely impacted margins during the period. The price of paper, highly correlated to the cost of pulp, saw a rise of 25-30% within a year. With paper accounting for approximately half of all costs, the short-term impact on margins was both significant and inevitable. Gross profit margin before asset impairment fell to 19% from 26% in the previous year, and adjusted EBITDA fell to 2% from 7% in the previous year.

Global paper prices started to decrease towards the very end of calendar 2018 as the cost of pulp started to decrease. The impact of lower prices should feed through to improved margins but there is a considerable lag due to ordering lead times and stock holding, not helped by the Brexit stock build required to protect customer deliveries. The company continues to work closely with its suppliers to ensure the best price possible is secured for raw materials, and also works closely with all its customers to ensure a fair price for its products.

Balance Sheet

A new facial tissue production line was commissioned during the year at a cost of £1m funded by a finance lease. This highly efficient line increased capacity, reduced paper wastage and enabled the retirement of older machinery.

The company's major customers are all household names with excellent payment records and no defaults were experienced during the year.

The Group also raised funding in excess of £3m in the form of equity between the year end and 1st of November 2019 for working capital purposes and to support the growth of the business.

As part of The Group's acquisition of the Consuma Holdings Group, AnCellTek Holdings Limited utilised a three year bullet loan note facility organised by a London corporate finance boutique. The loan notes accrue interest at the rate of 9% per annum to the loan note holders, the interest being quarterly and the principle becoming mature in March 2021. The loan notes are listed on an HMRC recognised exchange.

Operations

Consuma strengthened its Board with the appointment of new Operations, Sales and Finance Directors. The senior management team was also restructured and strengthened with the appointment of experienced professionals in all functional areas including Operations, Engineering, Supply Chain, HR and Continuous Improvement.

The health and safety of all employees remains the number one priority of the business. The Health and Safety Council consisting of Directors and Senior Managers meets on a regular basis. A new Health & Safety Strategy was launched during the year. All incidents are reported and corrective actions taken promptly.

The Directors take their H&S responsibilities seriously and have ensured a comprehensive health and safety system is in place, encompassing appropriate governance, processes and systems across the business. Additionally, the company continues to monitor all environmental aspects of its business and is working with third parties to evaluate the use of alternative energy sources and ensuring the business operates in as green a fashion as is possible.

Consuma completed the latest phase of its Lean Manufacturing Program. A new Material Resource Planning system was implemented which will help improve stock management and production efficiency.

Outlook

AnCellTek Group is well positioned for growth following significant investment in new equipment and with a new Management Team in place. Whilst AnCellTek Group remains exposed to paper price movements, the downward trend in global prices following historical highs should lead to improved margins. The Group has received further funding from shareholders following the year-end to support the expansion of the business and provide working capital.

Principal risks and uncertainties

Economic risk

The Board has considered the impact of Brexit on the business. Consuma sources parent reels from suppliers who import a significant volume from overseas through the main UK ports. Significant delays at these ports may impact the supply chain. The Company has worked closely with its suppliers in an effort to minimise such impact and hold extra raw material stock to the extent deemed necessary, whilst also taking account of important financial considerations.

The Company is exposed to the effect of any economic downturn which could affect consumer confidence and therefore spending. The strength of the Company's offering is the ability to consistently meet the needs of its customers. The Company has developed close working relationships with its customers over many years and this has helped ensure their loyalty.

The Company is also susceptible to the movement in paper prices and exchange rates. The Company seeks to minimise the impact by carefully managing its raw material stock and ordering pattern. The Company has diversified its supplier base and closely monitors paper prices. Where and when appropriate, the Company will also seek to recoup raw material cost increases from its customers.

Financial and Liquidity Risk

As is usual, the key financial risk is the ability to continue to generate and access sufficient funds to meet business requirements. AnCellTek Group utilises invoice discounting and a stock facility to help it meet its obligations. Careful management of cash and working capital through ongoing reporting and forecasting is a priority for the business. Regular dialogue is maintained with the Company's primary lender. The Group also benefits from a strong and supportive shareholder base who have continued to provide liquidity as and when required.

Credit Risk

AnCellTek Group seeks to manage its credit risk by dealing with established well-known high street customers and checking the credit-worthiness of new customers. Clear contractual relationships are established and any credit issues are addressed in a timely manner. There is a reasonable spread of customers and no overall reliance on one customer.

Interest Rate Risk

Consuma is exposed to changes in interest rates through its finance lease borrowings, its invoice discounting and stock facility. This risk is managed by the use of a combination of variable and fixed rates.

Key person dependency

Loss of key individuals could impact The Group's ability to achieve its objectives. This is mitigated through succession planning and the Board believes the Company today has a much stronger management team in place across all key aspects of its operations.

This report was approved by the board and signed on its behalf.

Oday Abbosh (Jan 20, 2020)

O Abbosh
Director

Date: Jan 20, 2020

DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 MARCH 2019

The Directors present their report and the financial statements for the period ended 31 March 2019.

Directors' responsibilities statement

The Directors are responsible for preparing the group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the period, after taxation and minority interests, amounted to £1,272,679.

There were no dividends during the period.

Directors

The Directors who served during the period were:

H Shawkat (appointed 21 June 2018, resigned 17 September 2019)
R Long (appointed 9 March 2018)
O Abbosh (appointed 9 March 2018)

Qualifying third party indemnity provisions

Appropriate Directors' and officers' liability insurance is in place in respect of all of the Company Directors.

Matters covered in the strategic report

The Company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 to set out certain information in the Strategic Report as required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Post balance sheet events

In the post balance sheet period, the Parent Company has issued new ordinary shares resulting in additional equity funding of £3.4m.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Oday Abbosh (Jan 20, 2020)

O Abbosh
Director

Date: Jan 20, 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANCELLTEK HOLDINGS LIMITED

Opinion

We have audited the financial statements of AnCellTek Holdings Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the period ended 31 March 2019, which comprise the consolidated profit and loss account, the consolidated and Company balance sheets, the consolidated and Company statement of changes in equity, the consolidated statement of cash flows, the consolidated analysis of changes in net debt and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2019 and of the Group's loss for the period 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of uncertainties due to Britain exiting the European Union on our audit

The Directors' view on the impact of Brexit is disclosed on page 3.

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Group and Parent Company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the Group and Parent Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Group and Parent Company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Group and Parent Company and this is particularly the case in relation to Brexit.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the group strategic report or the Directors' report.

We have nothing to report in respect of the following matters 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 5, 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 Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

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.

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

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

Use of the audit 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.

Alistair Wesson (Senior Statutory Auditor)

for and on behalf of
Mazars LLP

Chartered Accountants
Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: 2 JANUARY 2020

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 2019

	Note	2019 £
Turnover	4	28,718,022
Cost of sales		(23,015,430)
Gross profit		5,702,592
Distribution costs		(2,560,762)
Administrative expenses		(3,912,872)
Non recurring administrative expenses	11	(259,465)
Operating loss	5	(1,030,507)
Interest payable and expenses	9	(559,043)
Loss before taxation		(1,589,550)
Tax on loss	10	208,915
Loss for the financial period		(1,380,635)
Other comprehensive income		-
Total comprehensive income for the period		(1,380,635)
Loss for the period attributable to:		
Non-controlling interests		(107,956)
Owners of the parent Company		(1,272,679)
		(1,380,635)

The notes on pages 19 to 41 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2019

	Note		2019 £
Fixed assets			
Intangible assets	12		3,257,355
Tangible assets	13		4,572,942
			7,830,297
Current assets			
Stocks	15	2,525,595	
Debtors	16	5,600,400	
Cash at bank and in hand	17	400,393	
		8,526,388	
Creditors: Amounts falling due within one year	18	(10,225,947)	
Net current liabilities			(1,699,559)
Total assets less current liabilities			6,130,738
Creditors: Amounts falling due after more than one year	19		(6,644,930)
Provisions for liabilities			
Deferred taxation	23		(115,204)
Net liabilities			(629,396)
Capital and reserves			
Called up share capital	24		1
Profit and loss account			(1,272,679)
Equity attributable to owners of the parent Company			(1,272,678)
Non-controlling interests			643,282
			(629,396)

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

Oday Abbosh (Jan 20, 2020)

O Abbosh
Director

Date: Jan 20, 2020

The notes on pages 19 to 41 form part of these financial statements.

COMPANY BALANCE SHEET
AS AT 31 MARCH 2019

	Note		2019 £
Fixed assets			
Investments	14		8,752,136
			8,752,136
Current assets			
Debtors	16	708,014	
Cash at bank and in hand	17	1	
		708,015	
Creditors: Amounts falling due within one year	18	(4,847,774)	
Net current liabilities			(4,139,759)
Total assets less current liabilities			4,612,377
Creditors: Amounts falling due after more than one year	19		(5,144,600)
Net liabilities			(532,223)
Capital and reserves			
Called up share capital	24		1
Loss for the period		(532,224)	
Profit and loss account carried forward			(532,224)
			(532,223)

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements.

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

Oday Abbosh (Jan 20, 2020)

O Abbosh
Director

Date: Jan 20, 2020

The notes on pages 19 to 41 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2019

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Non-controlling interests	Total equity
	£	£	£	£	£
Comprehensive income for the period					
Loss for the period	-	(1,272,679)	(1,272,679)	(107,956)	(1,380,635)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	(1,272,679)	(1,272,679)	(107,956)	(1,380,635)
Shares issued during the period	1	-	1	-	1
Non-controlling interests on acquisition of subsidiary	-	-	-	751,238	751,238
At 31 March 2019	1	(1,272,679)	(1,272,678)	643,282	(629,396)

Description of reserves

Profit and loss account
The profit and loss account represents cumulative profits of the Group.

The notes on pages 19 to 41 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Comprehensive income for the period			
Loss for the period	-	(532,224)	(532,224)
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	(532,224)	(532,224)
Contributions by and distributions to owners			
Shares issued during the period	1	-	1
At 31 March 2019	1	(532,224)	(532,223)

Description of reserves

Profit and loss account
The profit and loss account represents cumulative profits of the Company.

The notes on pages 19 to 41 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2019

	2019 £
Cash flows from operating activities	
(Loss) for the financial period	(1,380,635)
Adjustments for:	
Amortisation of intangible assets	385,458
Depreciation of tangible assets	788,585
Impairments of fixed assets	29,889
Interest paid	559,043
Taxation charge	(208,915)
(Increase) in stocks	(333,032)
(Increase) in debtors	(702,525)
(Increase) in amounts owed by groups	(744,927)
Increase in creditors	255,221
Increase in amounts owed to groups	2,682,414
Corporation tax paid	(145,530)
Net cash generated from operating activities	1,185,046
Cash flows from investing activities	
Purchase of intangible fixed assets	(24,883)
Purchase of tangible fixed assets	(490,981)
Finance lease interest paid	(130,021)
Acquisition of subsidiary, less cash acquired	(7,006,088)
Net cash from investing activities	(7,651,973)
Cash flows from financing activities	
Issue of ordinary shares	1
Issue of loan notes	2,554,039
New finance leases	759,987
Interest paid	(429,022)
Increase in invoice factoring	3,881,153
Net cash used in financing activities	6,766,158

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2019

	2019
	£
Net increase in cash and cash equivalents	299,231
Cash and cash equivalents at the end of period	299,231
Cash and cash equivalents at the end of period comprise:	
Cash at bank and in hand	400,393
Bank overdrafts	(101,162)
	299,231

The notes on pages 19 to 41 form part of these financial statements.

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE PERIOD ENDED 31 MARCH 2019

	Cash flows £	Acquisition and disposal of subsidiaries £	New finance leases £	At 31 March 2019 £
Cash at bank and in hand	(876,905)	1,277,298	-	400,393
Bank overdrafts	(101,162)	-	-	(101,162)
Loan notes due after 1 year	(2,554,039)	-	-	(2,554,039)
Finance leases	-	(1,373,330)	(759,987)	(2,133,317)
	(3,532,106)	(96,032)	(759,987)	(4,388,125)

The notes on pages 19 to 41 form part of these financial statements.

1. General information

AnCellTek Holdings Limited, registered number: 11244743, was incorporated and commenced trading on 9 March 2018 and presents its financial statements for the period ended 31 March 2019.

The presentation currency for the financial statements is Pounds Sterling (£). The Company is a private limited Company, limited by shares and is registered in England. Its registered office address is Hurlingham Business Park, Fulbeck Heath, Grantham, Lincolnshire, NG32 3HL.

The principal activity for the period for the Company was that of an intermediate holding company.

The principal activity for the period for the Group was the manufacture of own label tissue products for the major retailers.

A summary of the Company's accounting policies, which have been consistently applied, are set out below:

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, *the Financial Reporting Standard applicable in the UK and the Republic of Ireland* and the Companies Act 2006.

The Group has elected to apply all amendments to FRS 102, as set out in the triennial review published in December 2017, prior to the mandatory adoption for accounting periods beginning on or after 1 January 2019.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

In preparing the financial statements, the Company has taken advantage of the following exemptions:

• from disclosing key management personnel compensation, as required by paragraph 7 of Section 33 'Related Party Disclosures'; and
• from presenting a statement of cash flows, as required by Section 7 'Statement of Cash Flows'.

2. Accounting policies (continued)

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated profit and loss account from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The accounts have been prepared on a going concern basis which assumes the company will have sufficient funds to continue to pay its debts as and when they fall due and thus continue to trade. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future based on its forecasts and projections. In making their assessment, the directors have considered a period of at least 12 months from the date of signing these financial statements. The current period financial statements show a loss and a net liability position, in addition to the breach in loan note covenants during the year. Further funding has been provided by shareholders post year end. The capital expenditure and investment in people and processes, together with new customer contracts, means that the directors are confident that the business will return to profitability in the foreseeable future and will turn around the net liability position in the consolidated accounts.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency 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 measured 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 consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within 'other operating income'.

2. Accounting policies (continued)

2.5 Turnover

'Turnover is recognised at the point of sale in the profit and loss account at the fair value of the consideration received or receivable for products provided in the normal course of business to customers and is shown net of value added tax and applicable discounts, returns, rebates and deductions.

The point of sale is determined when the following conditions are satisfied :

- the Group has transferred significant risks and rewards of ownership to the customer
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- the amount to be recognised as a sale can be measured with sufficient reliability
- it is probable that the Group will receive the amount invoiced
- costs incurred in respect of the sale can be reliably measured .

All turnover originates in the UK and its destination is as disclosed in note 4 to these financial statements.

Deductions from sales are based upon the actual transactions noted and accounted for in the year concerned together with an appropriately calculated allowance for provisions necessary at the period end.

2.6 Operating leases

Rentals paid under operating leases are charged to the consolidated statement of comprehensive income on a straight line basis over the lease term.

2.7 Finance costs

Finance costs are charged to the consolidated profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the consolidated profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Non recurring items

Non recurring items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2. Accounting policies (continued)

2.11 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the consolidated profit and loss account over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the Group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Software	-	5	years

2.12 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.

At each reporting date the Group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

2. Accounting policies (continued)

2.12 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using both reducing balance and straight line bases.

Depreciation is provided on the following basis:

Leasehold property improvements	- Over the life of the lease
Plant and machinery	- 15 - 25% reducing balance and 20% straight line

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 consolidated profit and loss account.

2.13 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.16 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at transaction value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2. Accounting policies (continued)

2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.18 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at transaction value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.19 Financial instruments

Financial assets and liabilities are recognised when the Group becomes party to the contractual provisions of the financial instrument. The Group holds only basic financial instruments, which comprise cash and cash equivalents, debtors and creditors. The Company has chosen where applicable to apply the measurement and recognition provisions of Section 11 Basic Financial Instruments and Section 12 Other Financial Instrument Issues in full.

Financial assets - Classified as basic instruments

Financial assets are defined as cash or any asset from another entity, or a contractual right to receive cash or another financial asset from another entity, or a contractual right to exchange financial instruments with another entity under conditions that are potentially favourable, or an equity instrument of another entity. The category of financial assets held by the Group comprise of bank and cash balances, amounts owed by related parties and trade debtors.

Debtors are assets with fixed or determinable payments that are not quoted on an active market, other than those that are categorised as financial assets at transaction value through profit and loss. These are initially recognised at the transaction price. At each balance sheet date, they are subsequently measured at amortised cost, with interest income recognised to profit and loss using the effective interest method.

Financial liabilities - Classified as basic instruments

Financial liabilities are defined as any liability that is contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial instruments with another entity under conditions that are potentially unfavourable. Financial liabilities held by the Group comprise of trade creditors, amounts owed to group undertakings finance leases and loans. Interest charges are recognised in profit and loss using the effective interest method. The only category of financial liability held by the Group is those measured at amortised cost using the effective interest method.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In the finalisation of the statutory accounts, the directors have taken into consideration the following key areas:

- Asset impairment. Following acquisition of the Consuma business, the directors decided to impair the value of certain fixed assets, and their associated spare parts, on the basis that these assets had not been used for some considerable time and / or were unlikely to be used at any time in the foreseeable future. As the company intends to invest in further newer generation equipment the directors felt it was appropriate to impair older assets that had not been used in the recent past or were unlikely to be used moving forwards.

- Carrying value. The directors have considered the carrying value of the Consuma business in the company's balance sheet and taken account of the consideration paid at the time of acquisition, the performance of the business since acquisition together with the future plans for the business under the new ownership. The directors are satisfied that the carrying value of the investment is appropriate.

4. Turnover - group

An analysis of turnover by class of business is as follows:

	2019
	£
Sale of goods	28,718,022

The turnover is attributable to the one principal activity of the Group. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2019
	£
United Kingdom	27,550,529
Rest of Europe	1,167,493
	28,718,022

5. Operating (loss) - group

The operating (loss) is stated after charging:

	2019 £
Amortisation of intangible assets	385,458
Depreciation of tangible assets	788,585
Impairment of tangible assets	29,889
Exchange differences	7,969
Other operating lease rentals	464,013

6. Auditor's remuneration

	2019 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	14,000

Fees payable to the Group's auditor in respect of:

Preparation of statutory financial statements	5,500
Taxation compliance services	3,700

Fees payable to the audit of the Company's annual financial statements are £1,500.

7. Employees

Staff costs, including Directors' remuneration, were as follows:

	Group 2019 £	Company 2019 £
Wages and salaries	5,151,320	16,879
Social security costs	380,762	-
Cost of defined contribution scheme	79,224	-
	5,611,306	16,879

The average monthly number of employees, including the Directors, during the period was as follows:

	Group 2019 No.	Company 2019 No.
Production staff	174	-
Administrative staff	32	-
Management staff	5	3
	211	3

8. Directors' remuneration

	2019 £
Directors' emoluments	16,879

The Directors are deemed to be the Key Management Personnel. All other Directors' emoluments are borne by the parent Company.

9. Interest payable and similar expenses

	2019 £
Bank interest payable	142,042
Other loan interest payable	286,980
Finance leases	130,021
	559,043

10. Taxation

	2019 £
Corporation tax	
Adjustments in respect of previous periods in acquired subsidiary	(40,776)
	(40,776)
Total current tax	(40,776)
Deferred tax	
Origination and reversal of timing differences	(168,139)
Total deferred tax	(168,139)
Taxation on loss on ordinary activities	(208,915)

10. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	2019 £
Loss on ordinary activities before tax	(1,589,550)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(302,015)
Effects of:	
Non-tax deductible amortisation of goodwill and impairment	66,382
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	31,598
Capital allowances for period in excess of depreciation	51,736
Adjustments to tax charge in respect of prior periods for acquired subsidiaries	(40,776)
Additional deduction for R&D expenditure	(40,706)
Adjust closing deferred tax to average rate of 19%	(2,483)
Adjust opening deferred tax to average rate of 19% in acquired subsidiary	39,997
Deferred tax not recognised	56,629
Fair value adjustment	(69,277)
Total tax charge for the period	(208,915)

Factors that may affect future tax charges

The main factor to consider is the decrease in tax rate following the enactment of the Finance Bill 2016. The corporation tax rate is 19% for accounting periods from 1 April 2017. However, it has been proposed that the tax rate is set to continue to decrease to 17% for accounting periods from 1 April 2020.

11. Non recurring administrative expenses

	2019 £
Non recurring consultancy costs	259,465

In the period there was a significant amount of expenditure on third party management consultancy. The business has now recruited to bring this expertise in house. No other costs of this nature are exceptional.

This amount is shown as a separate line in the profit and loss account and the Directors consider these entries to be one off and non-recurring going forwards.

12. Intangible assets

Group

	Software £	Goodwill £	Total £
Cost			
Additions	24,883	-	24,883
Acquisitions through business combinations	124,127	3,493,803	3,617,930
At 31 March 2019	149,010	3,493,803	3,642,813
Amortisation			
Charge for the period	36,077	349,381	385,458
At 31 March 2019	36,077	349,381	385,458
Net book value			
At 31 March 2019	112,933	3,144,422	3,257,355

None of the above intangible assets have been internally generated.

13. Tangible fixed assets

Group

	Leasehold property improvements £	Plant and machinery £	Total £
Cost or valuation			
Additions	29,085	461,896	490,981
Acquisitions through business combinations	610,356	4,040,319	4,650,675
Transfers from stock	-	249,760	249,760
At 31 March 2019	639,441	4,751,975	5,391,416
Depreciation			
Charge for the period	93,402	695,183	788,585
Impairment charge	-	29,889	29,889
At 31 March 2019	93,402	725,072	818,474
Net book value			
At 31 March 2019	546,039	4,026,903	4,572,942

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019 £
Plant and machinery	2,882,291

14. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
Acquisitions through business combinations	8,752,136
At 31 March 2019	8,752,136

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Consuma Holdings Limited	Intermediate holding company	Ordinary	87.5%
Consuma Paper Products Limited*	Manufacture of own label tissue products for the major retailers.	Ordinary	87.5%
Consuma Direct Limited*	Dormant	Ordinary	87.5%
Consuma Limited*	Dormant	Ordinary	87.5%
Staples Tissues Products Limited*	Dormant	Ordinary	87.5%
Staples Disposables Limited*	Dormant	Ordinary	87.5%

* denotes companies which were indirect subsidiary undertakings of AnCellTek Holdings Limited.

The registered office of all direct and indirect subsidiary undertakings is Hurlingham Business Park, Fulbeck Heath, Grantham, Lincolnshire, NG32 3HL.

Dormant subsidiaries are exempt from preparing individual financial statements by virtue of s394A of the Companies Act 2006.

All of the above subsidiaries are included within these consolidated financial statements.

14. Fixed asset investments (continued)

Subsidiary undertakings (continued)

The aggregate of the share capital and reserves as at 31 March 2019 and the profit or loss for the period ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	(Loss) £
Consuma Holdings Limited	2,406,855	-
Consuma Paper Products Limited*	10,680,005	(863,647)
Consuma Direct Limited*	1	-
Consuma Limited*	1,000	-
Staples Tissues Products Limited*	1	-
Staples Disposables Limited*	1	-

15. Stocks

	Group 2019 £	Company 2019 £
Raw materials and consumables	1,746,402	-
Finished goods and goods for resale	779,193	-
	2,525,595	-

Stock recognised in cost of sales during the period as an expense was £22,704,196.

16. Debtors

	Group 2019 £	Company 2019 £
Trade debtors	4,403,282	-
Amounts owed by Parent Company/Group Companies	744,927	645,000
Other debtors	47,174	-
Prepayments and accrued income	405,017	-
Deferred taxation	-	63,014
	5,600,400	708,014

17. Cash and cash equivalents

	Group 2019 £	Company 2019 £
Cash at bank and in hand	400,393	1
Less: bank overdrafts	(101,162)	-
	299,231	1

18. Creditors: Amounts falling due within one year

	Group 2019 £	Company 2019 £
Bank overdrafts	101,162	-
Trade creditors	4,047,283	-
Amounts owed to Parent Company/Group Companies	443,414	4,713,678
Other taxation and social security	376,636	-
Obligations under finance lease	632,987	-
Other creditors	4,249,724	-
Accruals and deferred income	257,552	16,907
Deferred consideration	117,189	117,189
	10,225,947	4,847,774

Included within other creditors is an amount of £4,142,797 in connection with an invoice discounting and stock finance facility. This facility is secured by a debenture executed by Consuma Holdings Ltd containing a legal mortgage and a fixed and floating charge.

Finance leases are secured against the individual assets acquired.

19. Creditors: Amounts falling due after more than one year

	Group 2019 £	Company 2019 £
Loan notes	2,554,039	2,554,039
Net obligations under finance lease	1,500,330	-
Amounts owed to Parent Company	2,239,000	2,239,000
Deferred consideration	351,561	351,561
	6,644,930	5,144,600

Loan notes of £2,670,000 were issued during the period, to fund the acquisition of Consuma Holdings Limited on 30 March 2018. The loan notes are listed on the Bermuda Stock Exchange. The loan notes bear an interest of 9% and mature on 30 March 2021. Interest is paid quarterly. The loan notes are secured by a debenture with other Group Undertakings and a third party.

At 31 March 2019 the Company was in technical breach of one of the lending covenants associated with the loan notes of £2,554,039. The loan note holders have not proposed any enforcement of acceleration action against the Company.

Finance leases are secured against the individual assets acquired.

Amounts owed to the Parent Company are interest free and due for repayment in 12 months and 1 day.

20. Loans

	Group 2019 £	Company 2019 £
Amounts falling due 1-2 years		
Loan notes	2,554,039	2,554,039

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2019 £
Within one year	632,987
Between 1-5 years	1,500,330
	2,133,317

22. Financial instruments

	Group 2019 £	Company 2019 £
Financial assets		
Financial assets measured at amortised cost	400,393	1
Financial assets that are debt instruments measured at amortised cost	5,154,642	645,000
	5,555,035	645,001
Financial liabilities		
Financial liabilities measured at amortised cost	(14,103,372)	(9,975,467)

Group

Financial assets measured at amortised cost comprises of bank and cash balances of £400,393.

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors of £4,403,282, amounts owed by group undertakings of £744,927 and other debtors of £6,433.

Financial liabilities measured at amortised cost comprise of trade creditors of £4,047,283, amounts owed to group undertakings of other creditors of £2,682,414, deferred consideration of £468,750 other creditors of £4,249,724, loan notes of £2,554,039 and bank overdrafts of £101,162.

Company

Financial assets measured at amortised cost comprises of bank and cash balances of £1.

Financial assets that are debt instruments measured at amortised cost comprise of amounts owed by group undertakings of £645,000.

Financial liabilities measured at amortised cost comprise of amounts owed to group undertakings of £6,952,678, deferred consideration of £468,750 and loan notes of £2,554,039. As at 30 September 2019, £2.3m of amounts owed to group undertakings was repaid.

23. Deferred taxation

Group

	31 March 2019 £
Charged to profit or loss	168,139
Arising on business combinations	(283,343)
At end of year	(115,204)

Company

	31 March 2019 £
Charged to profit or loss	63,014
At end of year	63,014

	Group 2019 £	Company 2019 £
Accelerated capital allowances	(115,204)	63,014

24. Share capital

	2019 £
Allotted, called up and fully paid	
1 Ordinary share of £1.00	1

On 9 March 2018 one Ordinary share was issued at par.

There is a single class of ordinary shares. Each share is entitled to one vote in any circumstance.

25. Business combinations

Acquisition of Consuma Holdings Limited and subsidiaries

On 30 March 2018, the Company acquired 87.5% of the share capital of Consuma Holdings Limited. The acquisition is accounted for under the acquisition method. The transaction is detailed below:

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustment £	Fair value £
Tangible	4,912,125	(261,450)	4,650,675
Intangible	124,127	-	124,127
	5,036,252	(261,450)	4,774,802
Stocks	2,545,490	(103,167)	2,442,323
Debtors	4,112,207	-	4,112,207
Cash at bank and in hand	1,277,298	-	1,277,298
Total assets	12,971,247	(364,617)	12,606,630
Creditors due within one year	(5,344,516)	-	(5,344,516)
Creditors due after more than one year	(969,200)	-	(969,200)
Deferred tax	(283,343)	-	(283,343)
Non-controlling interest			
Non-controlling interests on acquisition of subsidiary	(751,238)	-	(751,238)
Total identifiable net assets	5,622,950	(364,617)	5,258,333
Goodwill			3,493,803
Total purchase consideration			8,752,136

Consideration

	£
Cash	8,264,500
Deferred consideration	468,750
Directly attributable costs	18,886
Total purchase consideration	8,752,136

25. Business combinations (continued)

Cash outflow on acquisition

	£
Purchase consideration settled in cash, as above	8,283,386
	8,283,386
Less: Cash and cash equivalents acquired	(1,277,298)
Net cash outflow on acquisition	7,006,088

The results of Consuma Holdings Limited and subsidiaries since its acquisition are as follows:

	Current period since acquisition £
Turnover	28,712,022
Gross profit for the period	5,337,975

26. Contingent liabilities

The Group has guaranteed indemnities given by its bankers in favour of HM Revenue and Customs, totalling £70,000.

27. Capital commitments

At 31 March 2019 the Group and Company had capital commitments as follows:

	Group 2019 £
Contracted for but not provided in these financial statements	157,000

28. Pension commitments

The Group operates defined contribution pension schemes. The assets of the scheme are held separately from those of the Group in independently administered funds. The pension cost charge of £79,224 represents contributions payable by the Group funds.

29. Commitments under operating leases

At 31 March 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £
Land and buildings	
Not later than 1 year	342,750
Later than 1 year and not later than 5 years	1,599,500
	1,942,250

	Group 2019 £
Other lease commitments	
Not later than 1 year	79,519
Later than 1 year and not later than 5 years	97,224
	176,743

30. Related party transactions

AnCellTek Holdings Limited has taken advantage of the exemption contained in Section 33 of FRS 102 - "Related Party Disclosures" and therefore has not disclosed transactions or balances with entities wholly owned members of AnCellTek Holdings Limited.

Included within creditors is an amount of £4,270,265 (2018: £Nil) owed by Consuma Paper Products Limited, a Group subsidiary. The amount is unsecured, interest free and repayable on demand. As at 30 September 2019, £2.3m was repaid.

The Group rented premises from Hurlingham Estates Limited, a Company which is controlled by a former Director and current minority shareholder of the Group. Payments made in the period while the director was a related party amounted to £378,719 (2018: £342,750). At the balance sheet date no amounts were outstanding (2018: £Nil).

31. Controlling party

The Company's immediate and ultimate parent Company is Better All Round Limited, a Company incorporated in England and Wales.

The smallest group in which the results of the Company are consolidated is Better All Round Limited. Copies of the consolidated financial statements of Better All Round Limited are available from Hurlingham Business Park, Fulbeck Heath, Grantham, Lincolnshire, England, NG32 3HL.

The Directors do not consider there to be an ultimate controlling party.