

AnCellTek Holdings Limited

Registered number: 11244743

Annual report and financial statements

For the year ended 27 March 2021



ANCELLTEK HOLDINGS LIMITED

COMPANY INFORMATION

Directors	R Long O Abbosh C Abbosh (appointed 22 April 2020)
Company secretary	C Abbosh
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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ANCELLTEK HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 27 MARCH 2021

Introduction

AnCellTek Holdings Ltd is a holding company that was established by its parent, Better All Round Limited 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.

AnCellTek 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 15 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 year ended 27 March 2021 and certain key financial performance indicators are set out in the table below:

	2021	2020
	£000	£000
Turnover	29,570	32,035
Gross Profit	6,200	6,726
Gross Profit %	21%	21%
Operational profit/(loss)	(880)	(92)
Non-recurring administrative expenses	280	41
Operational loss before non-recurring expense and asset impairment	<u>(191)</u>	<u>(51)</u>
Adjusted EBITDA*	<u>569</u>	<u>1,015</u>
Adjusted EBITDA %	<u>2%</u>	<u>3%</u>
Net Liabilities	<u>(2,425)</u>	<u>(1,164)</u>

*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.

Revenue

In a challenging year owing to the COVID-19 pandemic, AnCellTek Group turnover dropped by just under 8% as successive lockdowns, social distancing measures and the wearing of masks meant that sales of facial tissues were significantly reduced as the normal cold and flu season did not materialise. Sales of facial tissue products have traditionally accounted for around 70% of overall turnover. AnCellTek Group has retained its loyal customer base throughout the year. Since the year end, the Group has started manufacturing product for a well known UK brand, and added to this AnCellTek Group is also in advanced discussions to produce another well established brand in the UK.

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GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 27 MARCH 2021

Business review (continued)

Margins

Global paper prices remained relatively static for the first 9 months of the financial year, but started to increase rapidly from January 2021. This price increase continued after the financial year end until prices started to flatten out towards the end of autumn 2021. This had an impact on margins in the last quarter due to the time taken to pass these price rises onto customers as a result of 12 week notice periods and a few fixed price contracts in some cases.

The full effects of the COVID-19 pandemic during the entire year impacted every one of AnCellTek Group's retail customers and thus impacted sales and every aspect of the supply chain. AnCellTek Group worked tirelessly with its supplier base and its customers to ensure its core range of household essentials continued to be stocked on supermarket shelves throughout the pandemic period. AnCellTek Group continues to work closely with its supplier partners to ensure the best price possible is secured for raw materials and works collaboratively with all its customers to ensure a fair price is delivered consistently across its range of products.

Balance Sheet

AnCellTek Group has embarked on a major investment program in the last year to add three additional new machines further boosting its facial and rolled product capabilities. These highly efficient state of the art lines will increase capacity, reduce paper wastage and enable the retirement of older machinery and help advance AnCellTek Group further along its journey to fulfil its vision and become The Sustainable Paper Company.

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

During the year, the Group raised funding in excess of £3.7m in the form of equity and shareholder loans (prior year in excess of £8.5m equity and shareholder loans) from its existing shareholders for working capital purposes and to support the growth of the business. Since the year end, £2.1m further funding has been raised. The Group benefits from a strong group of private shareholders.

As part of the Group's acquisition of the Consuma Holdings Group in March 2018, AnCellTek Holdings Limited utilised a three-year bullet loan note facility organized 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. The bulk of this loan note has been repaid since the year end, with only £200,000 of the original £2.67m now outstanding. New loan notes of £700,000 have been taken out since the year end. The loan notes are listed on an HMRC recognised exchange.

Operations

AnCellTek Group has maintained its strong senior management during the year. Post year end, the Sales Director left the business with those responsibilities taken on by the Chairman. In addition, a new Finance Director has joined the business.

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. 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, AnCellTek Group 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 possible.

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GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 27 MARCH 2021

Business review (continued)

During the year, AnCellTek Group worked with its landlord to secure a new 25,000 square foot warehouse on site. This represents the latest in a series of developments all aimed at further improving the end to end supply chain and service delivered to its retail customers.

Outlook

AnCellTek Group is well positioned for growth following the significant investment in new equipment together with the Management Team already in place. The business expects this growth to materialise now that social distancing measures have been eased somewhat as the UK looks to return to a level of normality following the COVID-19 pandemic.

AnCellTek Group remains exposed to paper price movements, with the recent energy crisis in the UK creating some short to mid-term increases in paper prices. Where possible, the business looks to pass these cost increases onto customers in a fair and transparent manner.

Principal risks and uncertainties

COVID-19

In March 2020, AnCellTek Group experienced an unprecedented demand across its tissue products owing to the COVID-19 pandemic. As is widely known, the lockdown implemented by the UK government resulted in people buying significantly greater volumes of all tissue products, especially toilet tissue and kitchen rolls, owing to families spending much more time in the home environment, coupled with a certain level of panic buying.

Many of the changes made initially in March 2020, continued throughout the year to March 2021 with AnCellTek Group incurring higher operational and supply chain costs as a result. Social distancing has been maintained in the workplace with physical barriers put in place, together with increased levels and higher frequency of deep cleaning. This enabled the business to cope with the second and third peaks that were experienced in the pandemic.

The Board has been delighted with how everyone at AnCellTek Group worked together to ensure its retail customers were well supported during this particularly difficult time.

Going Concern, 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 AnCellTek Group's primary lender. AnCellTek Group also benefits from a strong and supportive shareholder base who have continued to provide liquidity as and when required and injected in excess of £3.7m of equity and shareholder loans in Better All Round Limited, the Group's ultimate holding company during the year ended 27 March 2021.

As at the date of this report, the Directors have full expectation that AnCellTek Group has adequate resources to continue in business for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 27 MARCH 2021**

Principal risks and uncertainties (continued)

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 any one customer.

Interest Rate Risk

AnCellTek Group 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 AnCellTek Group's ability to achieve its objectives. This is mitigated through succession planning and the Board believes AnCellTek Group today has a strong 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 12, 2022 11:31 GMT)

O Abbosh
Director

Date: Jan 12, 2022

ANCELLTEK HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 27 MARCH 2021

The Directors present their report and the financial statements for the year ended 27 March 2021.

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;
- 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 year, after taxation and minority interests, amounted to £1,180,193 (2020 - loss £537,938). This loss was after charging £279,714 of non-recurring administrative expenses.

There were no dividends during the year (2020 - £Nil).

Directors

The Directors who served during the year were:

R Long
O Abbosh
C Abbosh (appointed 22 April 2020)

Qualifying third party indemnity provisions

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

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 27 MARCH 2021**

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 Directors are aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the Directors have taken all the steps that ought to have been taken as Directors 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.

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 12, 2022 11:31 GMT)

O Abbosh
Director

Date: Jan 12, 2022

ANCELLTEK HOLDINGS LIMITED

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 year ended 27 March 2021 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 net debt and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 the parent Company's affairs as at 27 March 2021 and of the Group's loss 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 Group and the parent 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 Group's and the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

ANCELLTEK HOLDINGS LIMITED

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

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 the audit:

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report and 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 set out 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.

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

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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the group and the parent company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- inquiring of management and, where appropriate, those charged with governance, as to whether the Group and the parent Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Group and the parent Company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to loss reserves, and significant one-of or unusual transactions

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of the Directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

ANCELLTEK HOLDINGS LIMITED

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

Auditor's responsibilities for the audit of the financial statements (...continued)

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.

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 (Jan 12, 2022 13:15 GMT)

Alistair Wesson (Senior Statutory Auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: Jan 12, 2022

ANCELLTEK HOLDINGS LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 27 MARCH 2021**

	Note	2021 £	2020 £
Turnover	4	29,570,208	32,035,471
Cost of sales		(23,369,780)	(25,309,540)
Gross profit		<u>6,200,428</u>	<u>6,725,931</u>
Distribution costs		(2,715,754)	(2,759,515)
Administrative expenses		(4,084,606)	(4,017,736)
Non-recurring administrative expenses	10	(279,714)	(40,594)
Operating loss	5	<u>(879,646)</u>	<u>(91,914)</u>
Interest payable and expenses	8	(552,209)	(529,647)
Loss before taxation		<u>(1,431,855)</u>	<u>(621,561)</u>
Tax on loss	9	170,504	87,450
Loss for the financial year		<u>(1,261,351)</u>	<u>(534,111)</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>(1,261,351)</u>	<u>(534,111)</u>
Loss for the year attributable to:			
Non-controlling interests		(81,158)	3,827
Owners of the Parent Company		(1,180,193)	(537,938)
		<u>(1,261,351)</u>	<u>(534,111)</u>

The notes on pages 19 to 40 form part of these financial statements.

ANCELLTEK HOLDINGS LIMITED
REGISTERED NUMBER: 11244743

CONSOLIDATED BALANCE SHEET
AS AT 27 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	11	2,578,638	2,889,349
Tangible assets	12	10,788,367	4,668,082
		<u>13,367,005</u>	<u>7,557,431</u>
Current assets			
Stocks	14	4,003,064	2,753,315
Debtors	15	6,411,363	9,562,793
Cash at bank and in hand	16	470,684	681,565
		<u>10,885,111</u>	<u>12,997,673</u>
Creditors: Amounts falling due within one year	17	<u>(17,672,552)</u>	<u>(12,441,006)</u>
Net current (liabilities)/assets		<u>(6,787,441)</u>	<u>556,667</u>
Total assets less current liabilities		<u>6,579,564</u>	<u>8,114,098</u>
Creditors: Amounts falling due after more than one year	18	(9,004,422)	(9,226,985)
Provisions for liabilities			
Deferred taxation	21	-	(50,620)
Net liabilities		<u>(2,424,858)</u>	<u>(1,163,507)</u>
Capital and reserves			
Called up share capital	22	1	1
Profit and loss account	23	(2,990,810)	(1,810,617)
Equity attributable to owners of the Parent Company		<u>(2,990,809)</u>	<u>(1,810,616)</u>
Non-controlling interests		565,951	647,109
		<u>(2,424,858)</u>	<u>(1,163,507)</u>

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



Oday Abbosh (Jan 12, 2022 11:31 GMT)

O Abbosh
 Director

Date: Jan 12, 2022


The notes on pages 19 to 40 form part of these financial statements.

ANCELLTEK HOLDINGS LIMITED
REGISTERED NUMBER: 11244743

COMPANY BALANCE SHEET
AS AT 27 MARCH 2021

	Note		2021 £	2020 £
Fixed assets				
Investments	13		8,752,136	8,752,136
			<u>8,752,136</u>	<u>8,752,136</u>
Current assets				
Debtors	15	834,380	786,433	
Cash at bank and in hand	16	79	138	
		<u>834,459</u>	<u>786,571</u>	
Creditors: Amounts falling due within one year	17	(2,638,044)	(416,039)	
Net current (liabilities)/assets			<u>(1,803,585)</u>	<u>370,532</u>
Total assets less current liabilities			<u>6,948,551</u>	<u>9,122,668</u>
Creditors: Amounts falling due after more than one year	18		(6,202,523)	(8,113,937)
Net assets			<u><u>746,028</u></u>	<u><u>1,008,731</u></u>
Capital and reserves				
Called up share capital	22		1	1
Profit and loss account brought forward	23	1,008,730	(532,224)	
Loss/(profit) for the year	23	(262,703)	1,540,954	
		<u></u>	<u></u>	
Profit and loss account carried forward			746,027	1,008,730
			<u><u>746,028</u></u>	<u><u>1,008,731</u></u>

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


 Oday Abbosh (Jan 12, 2022 11:31 GMT)

O Abbosh
 Director

Date: Jan 12, 2022

The notes on pages 19 to 40 form part of these financial statements.

ANCELLTEK HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 27 MARCH 2021

	Called up share capital	Profit and loss account	Equity attributable to owners of Parent Company	Non- controlling interests	Total equity
	£	£	£	£	£
At 29 March 2020	1	(1,810,617)	(1,810,616)	647,109	(1,163,507)
Comprehensive income for the year					
Loss for the year	-	(1,180,193)	(1,180,193)	(81,158)	(1,261,351)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	(1,180,193)	(1,180,193)	(81,158)	(1,261,351)
Total transactions with owners	-	-	-	-	-
At 27 March 2021	1	(2,990,810)	(2,990,809)	565,951	(2,424,858)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 28 MARCH 2020

	Called up share capital	Profit and loss account	Equity attributable to owners of Parent Company	Non- controlling interests	Total equity
	£	£	£	£	£
At 1 April 2019	1	(1,272,679)	(1,272,678)	643,282	(629,396)
Comprehensive income for the period					
Loss for the period	-	(537,938)	(537,938)	3,827	(534,111)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	(537,938)	(537,938)	3,827	(534,111)
Total transactions with owners	-	-	-	-	-
At 28 March 2020	1	(1,810,617)	(1,810,616)	647,109	(1,163,507)

The notes on pages 19 to 40 form part of these financial statements.

ANCELLTEK HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 27 MARCH 2021**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 29 March 2020	1	1,008,730	1,008,731
Comprehensive income for the period			
Loss for the year	-	(262,703)	(262,703)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(262,703)	(262,703)
Total transactions with owners	-	-	-
At 27 March 2021	1	746,027	746,028

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 28 MARCH 2020**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2019	1	(532,224)	(532,223)
Comprehensive income for the period			
Profit for the period	-	1,540,954	1,540,954
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	1,540,954	1,540,954
Total transactions with owners	-	-	-
At 28 March 2020	1	1,008,730	1,008,731

The notes on pages 19 to 40 form part of these financial statements.

ANCELLTEK HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 27 MARCH 2021**

	2021 £	2020 £
Cash flows from operating activities		
Loss for the financial year	(1,261,351)	(534,111)
Adjustments for:		
Amortisation of intangible assets	392,368	387,302
Depreciation of tangible assets	777,269	679,328
Loss on disposal of tangible assets	2,085	(6,335)
Interest paid	552,209	529,647
Taxation charge	(170,504)	(87,450)
(Increase) in stocks	(1,249,749)	(227,720)
Decrease/(increase) in debtors	3,200,395	(3,974,968)
Decrease in amounts owed by groups	70,919	29,008
Increase in creditors	114,892	466,040
Increase in amounts owed to groups	5,053,037	2,877,484
Corporation tax (paid)/received	(63,014)	69,447
Net cash generated from operating activities	<u>7,418,556</u>	<u>207,672</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(81,657)	(19,296)
Purchase of tangible fixed assets	(6,900,138)	(872,183)
Sale of tangible fixed assets	499	104,050
Finance lease interest paid	(123,577)	(181,022)
Net cash from investing activities	<u>(7,104,873)</u>	<u>(968,451)</u>
Cash flows from financing activities		
New finance leases	2,691,726	-
Repayment of finance leases	(730,413)	(319,496)
Interest paid	(428,632)	(348,625)
Increase/(decrease) in invoice factoring	(2,057,245)	1,811,234
Net cash used in financing activities	<u>(524,564)</u>	<u>1,143,113</u>

ANCELLTEK HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 27 MARCH 2021**

	2021 £	2020 £
Net (decrease)/increase in cash and cash equivalents	(210,881)	382,334
Cash and cash equivalents at beginning of year	681,565	299,231
Cash and cash equivalents at the end of year	<u>470,684</u>	<u>681,565</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u>470,684</u>	<u>681,565</u>

The notes on pages 19 to 40 form part of these financial statements.

ANCELLTEK HOLDINGS LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 27 MARCH 2021**

	At 28 March 2020	Cash flows	New finance leases	Other non- cash changes	At 27 March 2021
	£	£	£	£	£
Cash at bank and in hand	681,565	(210,881)	-	-	470,684
Loan notes due after 1 year	(2,554,039)	-	-	2,554,039	-
Debt due within 1 year	-	-	-	(2,554,039)	(2,554,039)
Finance leases	(1,813,821)	730,413	(2,691,726)	-	(3,775,134)
	<u>(3,686,295)</u>	<u>519,532</u>	<u>(2,691,726)</u>	<u>-</u>	<u>(5,858,489)</u>

The notes on pages 19 to 40 form part of these financial statements.

ANCELLTEK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 27 MARCH 2021

1. General information

AnCellTek Holdings Limited, registered number: 11244743, presents its financial statements for the period ended 27 March 2021.

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 year for the Company was that of an intermediate holding company.

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

The presentation currency for the financial statements is Pounds Sterling (£) as this is the currency of the primary economic environment in which the Company operates and is rounded to the nearest pound.

A summary of the Group'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 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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 MARCH 2021**

2. Accounting policies (continued)

2.3 Going concern

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 AnCellTek Group's primary lender. AnCellTek Group also benefits from a strong and supportive shareholder base who have continued to provide liquidity as and when required and injected in excess of £3.7m of equity and shareholder loans in Better All Round Limited, the Group's ultimate holding company during the year ended 27 March 2021.

As at the date of this report, the Directors have full expectation that AnCellTek Group has adequate resources to continue in business for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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 profit or loss 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 profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 MARCH 2021**

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 profit or loss on a straight line basis over the lease term.

2.7 Finance costs

Finance costs are charged to profit or loss 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 profit or loss 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 MARCH 2021**

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 MARCH 2021

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:

Goodwill	-	10	years
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 company 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 MARCH 2021**

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% 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 profit or loss.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 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.

2.15 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.

2.16 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 MARCH 2021

2. Accounting policies (continued)

2.17 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.

2.18 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 MARCH 2021**

3. Significant management judgements and key sources of estimation uncertainty

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 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 year in which the estimate is revised and in any future periods affected.

Significant management judgements

The following are management judgements in applying the accounting policies of the organisation that have the most significant effect on the amounts recognised in the financial statements.

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.

Estimation uncertainty

The Directors have not identified any key sources of estimation uncertainty in preparing these financial statements.

4. Turnover - group

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

	2021 £	2020 £
Sale of goods	29,570,208	32,035,471

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	28,823,306	30,539,204
Rest of Europe	746,902	1,496,267
	<u>29,570,208</u>	<u>32,035,471</u>

ANCELLTEK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 MARCH 2021**

5. Operating loss - group

The operating (loss) is stated after charging:

	2021	2020
	£	£
Amortisation of intangible assets	392,368	387,302
Depreciation of tangible assets	777,269	679,328
Loss/(profit) on disposal of tangible assets	2,085	(6,335)
Exchange differences	45,886	7,578
Other operating lease rentals	465,744	436,365
	<u> </u>	<u> </u>

6. Auditor's remuneration

	2021	2020
	£	£
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	15,700	14,300
	<u> </u>	<u> </u>
Fees payable to the Group's auditor in respect of:		
Preparation of statutory financial statements	10,500	6,110
Taxation compliance services	5,545	3,810
	<u> </u>	<u> </u>

The 2021 audit fee is borne by the parent Company. The 2020 audit fee was £1,600 and was borne by this company.

ANCELLTEK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 MARCH 2021**

7. Employees

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	5,277,308	5,392,061	-	-
Social security costs	444,537	573,023	-	-
Cost of defined contribution scheme	144,462	210,531	-	-
	<u>5,866,307</u>	<u>6,175,615</u>	<u>-</u>	<u>-</u>

There are no Directors' emoluments (2020: £Nil).

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

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Production staff	168	176	-	-
Administrative staff	54	47	-	-
Management staff	3	3	3	3
	<u>225</u>	<u>226</u>	<u>3</u>	<u>3</u>

8. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	139,726	108,325
Other loan interest payable	288,906	240,300
Finance leases	123,577	181,022
	<u>552,209</u>	<u>529,647</u>

ANCELLTEK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 MARCH 2021**

9. Taxation

	2021 £	2020 £
Corporation tax		
Adjustments in respect of previous periods	(96,580)	(22,866)
	<u>(96,580)</u>	<u>(22,866)</u>
Total current tax	<u>(96,580)</u>	<u>(22,866)</u>
Deferred tax		
Origination and reversal of timing differences	(68,956)	(58,702)
Adjustments in respect of prior periods	(4,968)	(17,390)
Effect of tax rate change on opening balance	-	11,508
Total deferred tax	<u>(73,924)</u>	<u>(64,584)</u>
Taxation on loss on ordinary activities	<u>(170,504)</u>	<u>(87,450)</u>

ANCELLTEK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 MARCH 2021**

9. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	(1,431,855)	(621,561)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(272,052)	(118,097)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	66,382	66,382
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	651	404
Capital allowances for year/period in excess of depreciation	39,974	2,343
Utilisation of tax losses	96,496	-
Other permanent differences	1,687	(9,735)
Adjustments to tax charge in respect of prior periods	(101,548)	(40,256)
Adjust opening deferred tax to average rate of 19%	-	11,509
Other differences leading to an increase (decrease) in the tax charge	(2,094)	-
Total tax charge for the year	(170,504)	(87,450)

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

ANCELLTEK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 MARCH 2021**

10. Non-recurring administrative expenses

	2021	2020
	£	£
Non-recurring consultancy costs	-	40,594
Non-recurring exceptional costs	279,714	-
	<u>279,714</u>	<u>-</u>

In the prior period there was 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.

The Group incurred exceptional costs during the year as a result of the Covid pandemic and redundancies. Covid costs were incurred in order to protect employees in the form of Personal Protective Equipment like facemasks, gloves and sanitiser, as well as measures such as screens to form physical barriers between employees. There were also increased costs to incentivise employees in order to meet demand at the height of panic buying at the start of the Covid outbreak in the UK. There were also redundancy costs during the year as the Group invested in new more automated machinery which removed some job roles from the business.

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

ANCELLTEK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 MARCH 2021**

11. Intangible assets**Group**

	Software £	Goodwill £	Total £
Cost			
At 28 March 2020	168,306	3,493,803	3,662,109
Additions	81,657	-	81,657
At 27 March 2021	<u>249,963</u>	<u>3,493,803</u>	<u>3,743,766</u>
Amortisation			
At 28 March 2020	73,998	698,762	772,760
Charge for the year	42,987	349,381	392,368
At 27 March 2021	<u>116,985</u>	<u>1,048,143</u>	<u>1,165,128</u>
Net book value			
At 27 March 2021	<u>132,978</u>	<u>2,445,660</u>	<u>2,578,638</u>
At 27 March 2020	<u>94,308</u>	<u>2,795,041</u>	<u>2,889,349</u>

None of the above intangible assets have been internally generated.

ANCELLTEK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 MARCH 2021**

12. Tangible fixed assets**Group**

	Leasehold property improvements £	Plant and machinery £	Total £
Cost or valuation			
At 28 March 2020	657,950	4,795,068	5,453,018
Additions	416,786	6,483,352	6,900,138
Disposals	(7,554)	-	(7,554)
At 27 March 2021	<u>1,067,182</u>	<u>11,278,420</u>	<u>12,345,602</u>
Depreciation			
At 28 March 2020	188,190	596,746	784,936
Charge for the year	124,029	653,240	777,269
Disposals	(4,970)	-	(4,970)
At 27 March 2021	<u>307,249</u>	<u>1,249,986</u>	<u>1,557,235</u>
Net book value			
At 27 March 2021	<u>759,933</u>	<u>10,028,434</u>	<u>10,788,367</u>
At 27 March 2020	<u>469,760</u>	<u>4,198,322</u>	<u>4,668,082</u>

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

	2021 £	2020 £
Plant and machinery	<u>6,369,989</u>	<u>3,706,374</u>

ANCELLTEK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 MARCH 2021**

13. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost	
At 28 March 2020	8,752,136
At 27 March 2021	<u>8,752,136</u>
Net book value	
At 27 March 2021	<u>8,752,136</u>
At 27 March 2020	<u>8,752,136</u>

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 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.

Consuma Limited is 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.

ANCELLTEK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 MARCH 2021**

14. Stocks

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Raw materials and consumables	2,147,253	2,182,189	-	-
Finished goods and goods for resale	1,855,811	571,126	-	-
	<u>4,003,064</u>	<u>2,753,315</u>	<u>-</u>	<u>-</u>

15. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	3,776,249	8,158,578	-	-
Amounts owed by the Parent Company/group companies	645,000	715,919	645,000	645,000
Other debtors	1,286,886	63,607	-	-
Prepayments and accrued income	679,924	624,689	-	1,382
Deferred taxation	23,304	-	189,380	140,051
	<u>6,411,363</u>	<u>9,562,793</u>	<u>834,380</u>	<u>786,433</u>

Amounts owed by Parent Company are unsecured, interest free and repayable on demand.

16. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	<u>470,684</u>	<u>681,565</u>	<u>79</u>	<u>138</u>

ANCELLTEK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 MARCH 2021**

17. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Loan notes	2,554,039	-	2,554,039	-
Trade creditors	3,125,527	4,159,817	-	-
Amounts owed to the Parent Company/group companies	4,410,412	-	-	39,444
Other taxation and social security	1,047,017	636,512	-	-
Corporation tax	-	63,014	-	63,014
Obligations under finance lease	973,235	700,773	-	-
Other creditors	4,646,601	6,463,065	84,005	-
Accruals and deferred income	915,721	105,327	-	1,083
Deferred consideration	-	312,498	-	312,498
	<u>17,672,552</u>	<u>12,441,006</u>	<u>2,638,044</u>	<u>416,039</u>

Included within other creditors is an amount of £3,896,786 (2020 - £5,954,031) in connection with an invoice discounting and stock finance facility. This facility is secured by a debenture executed by Consuma Holdings Limited containing a legal mortgage and a fixed and floating charge.

Finance leases are secured against the individual assets acquired.

Amounts owed to the Parent Company are unsecured, interest free and repayable on demand.

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Loan notes	-	2,554,039	-	2,554,039
Net obligations under finance lease	2,801,899	1,113,048	-	-
Amounts owed to the Parent Company	6,202,523	5,559,898	6,202,523	5,559,898
	<u>9,004,422</u>	<u>9,226,985</u>	<u>6,202,523</u>	<u>8,113,937</u>

Loan notes are subject to an amortisation charge, 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 matured on 30 March 2021 - all but £200,000 was repaid to the loan note holders post year end. Interest is paid quarterly. The loan notes are secured by a debenture with other Group Undertakings and a third party.

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.

ANCELLTEK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 MARCH 2021**

19. Loans

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Amounts falling due within one year				
Loan notes	2,554,039	-	2,554,039	-
Amounts falling due 1-2 years				
Loan notes	-	2,554,039	-	2,554,039
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

20. Finance leases

Minimum lease payments under finance leases fall due as follows:

	Group 2021 £	Group 2020 £
Within one year	973,235	700,773
Between 1-5 years	2,801,899	1,113,048
	<u> </u>	<u> </u>
	<u>3,775,134</u>	<u>1,813,821</u>

ANCELLTEK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 MARCH 2021**

21. Deferred taxation**Group**

	2021 £	2020 £
At beginning of year	(50,620)	(115,204)
Charged to profit or loss	73,924	64,584
At end of year	23,304	(50,620)

Company

	2021 £	2020 £
At beginning of year	140,051	63,014
Charged to profit or loss	49,329	77,037
At end of year	189,380	140,051

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Accelerated capital allowances	(776,574)	(473,043)	-	-
Tax losses carried forward	799,878	422,423	189,380	140,051

22. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
1 (2020 - 1) Ordinary share of £1.00	1	1

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

23. Reserves**Profit and loss account**

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

ANCELLTEK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 MARCH 2021**

24. Contingent liabilities

The Group has guaranteed indemnities given by its bankers in favour of HM Revenue and Customs, totalling £30,000 (2020 - £30,000).

25. Pension commitments

The Company operates defined contribution pension schemes. The assets of the scheme are held separately from those of the Company in independently administered funds. The pension cost charge of £144,462 (2020 - £210,531) represents contributions payable by the Company funds. At the year end there was a pension creditor balance of £31,851 (2020 - £32,745).

26. Commitments under operating leases

At 27 March 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £
Land and buildings		
Not later than 1 year	428,750	342,750
Later than 1 year and not later than 5 years	2,143,750	1,256,750
Later than 5 years	3,715,833	-
	<u>6,288,333</u>	<u>1,599,500</u>
	Group 2021 £	Group 2020 £
Other lease commitments		
Not later than 1 year	74,151	98,323
Later than 1 year and not later than 5 years	125,313	188,991
Later than 5 years	-	8,591
	<u>199,464</u>	<u>295,905</u>

27. 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 £Nil (2020 - £39,444) owed by Consuma Paper Products Limited, a Group subsidiary. The amount is unsecured, interest free and repayable on demand.

ANCELLTEK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 MARCH 2021**

28. 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.