

Consuma Holdings Limited

Registered number: 03401941

Annual report and financial statements

For the period ended 28 March 2020

CONSUMA HOLDINGS LIMITED

COMPANY INFORMATION

Directors

A Staples
R Haslam (resigned 5 August 2019)
O Abbosh

H Shawkat (resigned 16 July 2019)
G Fawcett (appointed 16 July 2019, resigned 27 March 2020)
R Mellor (appointed 5 August 2019)
M Clarke (appointed 5 August 2019)

Registered number

03401941

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

CONSUMA HOLDINGS LIMITED

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CONSUMA HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 28 MARCH 2020

Introduction

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 Consuma's financial results for the period ended 28 March 2020 and certain key financial performance indicators are set out in the table below:

	2020	2019
	£000	£000
Turnover	32,035	28,718
Gross Profit	6,719	5,338
Gross Profit %	21%	19%
Asset Impairment	-	290
Gross Profit before asset impairment	6,719	5,628
Gross Profit % before asset impairment	21%	20%
Operational profit/(loss)	310	(737)
Non recurring administrative expenses	41	259
Operational loss before non recurring expense and asset impairment	351	(188)
Adjusted EBITDA *	1,068	638
Adjusted EBITDA %	3%	2%
Net Assets	3,785	5,511

*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 continued Brexit uncertainty together with the start of the COVID-19 pandemic in March 2020, Consuma turnover grew

once more by well over 10%, driven by core facial tissue products which accounted for over 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 started serving a new top four supermarket commencing in August 2019.

Margins

Global paper prices started to gradually decrease towards the very end of calendar 2018 and throughout most of 2019 as the cost of pulp started to decrease. The impact of lower prices started to feed through to improved margins even if there is a considerable lag due to ordering lead times and stock holding requirements, not helped by the Brexit stock build necessitated to protect customer deliveries throughout 2019.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 28 MARCH 2020**

Business review (continued)

During March 2020, the full effects of the COVID-19 pandemic took hold in the UK at large, impacting every one of the Company's retail customers and thus impacting sales and every aspects of the supply chain. The Company 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. The Company 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

Further to the successful commissioning of a new facial tissue production line during the prior year, the Company has embarked on a major investment program 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 the Company further along its journey to fulfil its vision and become The Sustainable Paper Company.

The Company's major customers are all household names with excellent payment records and no defaults were experienced during the year. The Group raised funding in excess of £8.5m in the form of equity during the year (prior year in excess of £3.5m equity) from its existing shareholders for working capital purposes and to support the growth of the business. The Company benefits from a strong group of private shareholders.

Operations

The Group bolstered its Consuma Board with the appointment of a new Operations Director and Sales Director in 2019, which together with other senior management appointees has significantly strengthened the Company both operationally and in terms of how it serves its customers.

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, 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.

The Group is working with its landlord to ensure a new 25,000 square foot warehouse is finalised ahead of the busy winter season. This will represent the latest in a series of recent developments all aimed at further improving the end to end supply chain and service delivered to its retail customers.

Outlook

The Group is well positioned for continued growth following the continued significant investment in new equipment together with the strengthened new Management Team already in place.

The Group is also particularly excited by some of its most recent collaboration efforts with certain third party companies operating outside of the broader paper category, aimed at licensing in new technologies that will enable it to offer new and unique benefits to its customers

The Group remains exposed to paper price movements, with the recent COVID-19 pandemic creating some short to mid-term uncertainty in what was an otherwise generally downward trend in global prices following historical highs in recent years.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 28 MARCH 2020**

Principal risks and uncertainties

Economic risk and Implications of Britain leaving the European Union

The Board has considered the impact of Brexit as a whole, the effect of leaving the European Union in January 2020 as well as the end of the current planned transition timetable ending December 2020.

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 will continue to work 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 in a fair, collaborative, and transparent manner.

COVID-19

In March of this year, the company 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 facial tissue, owing to families spending much more time in the home environment, coupled perhaps with a certain level of panic buying.

To best meet the sudden increased demand, the company quickly arranged for all its lines to run 24 hours a day, seven days a week. Whilst the increased demand resulted in strong sales and enabled the company to best satisfy its customer demand, the company also had to incur significant additional costs at this time. The company worked closely with its retail partners, as well as its supplier base to ensure that everything that could be done was put in place to ensure maximum fulfilment for every one of the company's customers. Similarly, the company worked closely with its supplier base to ensure continuity of raw materials. In many cases, the company relaxed minimum order quantities to enable retail customers to place orders and receive product as soon as they were being manufactured. These changes in operations, coupled with increased overtime requirements in order to quickly gear up to 24x7 operations across all lines, resulted in the company incurring higher operational and supply chain costs at this time of year.

Many of the COVID-19 changes, continued post the year-end, for example ensuring social distancing is maintained in the workplace, together with increased levels and higher frequency of deep cleaning. The company believes that the measures put in place over the past few months position the company well for any potential future second peak in the pandemic.

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

Principal risks and uncertainties (continued)

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. The 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 and injected in excess of £8.5m of equity in Better All Round Limited, the group's ultimate holding company during the year ending 28 March 2020.

As at the date of this report, the Directors have full expectation that the 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.

Credit Risk

The 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

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

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

O Abbosh

Director

Date: 6 July 2020

The Directors present their report and the financial statements for the period ended 28 March 2020.

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 profit for the period, after taxation, amounted to £30,612 (2019 - loss £863,647).

Dividends in species declared during the year amounted to £1,756,296 (2019 - £Nil).

Directors

The Directors who served during the period were:

A Staples
R Haslam (resigned 5 August 2019)
O Abbosh
H Shawkat (resigned 16 July 2019)
G Fawcett (appointed 16 July 2019, resigned 27 March 2020)
R Mellor (appointed 5 August 2019)
M Clarke (appointed 5 August 2019)

Qualifying third party indemnity provisions

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

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 28 MARCH 2020**

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.

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.

O Abbosh
Director

Date: 6 July 2020

Opinion

We have audited the financial statements of Consuma Holdings Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the period ended 28 March 2020, 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 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 28 March 2020 and of the Group's profit 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.

CONSUMA HOLDINGS LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONSUMA HOLDINGS LIMITED (CONTINUED)****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 United Kingdom, including the Financial Reporting Council'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.

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 United Kingdom, including the Financial Reporting Council'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.

Emphasis of matter - Going concern and the impact of the COVID-19 outbreak on the financial statements

In forming our opinion on the Group financial statements, which is not modified, we draw your attention to the Directors' view on the impact of the COVID-19 as disclosed on page 3, and the consideration in the going concern basis of preparation on page 20.

During the latter part of the financial year, there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The impact of COVID-19 is still evolving and, based on the information available at this point in time, the Directors have assessed the impact of COVID-19 on the business and reflected the Directors' conclusion that adopting the going concern basis for preparation of the financial statements is appropriate.

In forming our opinion on the Group financial statements, which is not modified, we draw your attention to the Directors' view on the impact of the COVID-19 as disclosed on page 3, and the consideration in the going concern basis of preparation on page 20.

During the latter part of the financial year, there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The impact of COVID-19 is still evolving and, based on the information available at this point in time, the Directors have assessed the impact of COVID-19 on the business and reflected the Directors' conclusion that adopting the going concern basis for preparation of the financial statements is appropriate.

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

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.

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.

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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.

CONSUMA HOLDINGS LIMITED

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

Use of the audit report

This report is made solely to the Company's members 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 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: 6 July 2020

CONSUMA HOLDINGS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 28 MARCH 2020**

	Note	2020 £	2019 £
Turnover	4	32,035,471	28,718,022
Cost of sales		(25,316,666)	(23,380,047)
Gross profit		<u>6,718,805</u>	<u>5,337,975</u>
Distribution costs		(2,759,515)	(2,560,762)
Administrative expenses		(3,609,150)	(3,255,233)
Non recurring administrative expenses	12	(40,594)	(259,465)
Operating profit/(loss)	5	<u>309,546</u>	<u>(737,485)</u>
Interest payable and expenses	9	(289,347)	(272,063)
Profit/(loss) before taxation		<u>20,199</u>	<u>(1,009,548)</u>

Tax on profit/(loss)	10	10,413	145,901
Profit/(loss) for the financial period		<u>30,612</u>	<u>(863,647)</u>
Other comprehensive income		-	-
Total comprehensive income for the period		<u>30,612</u>	<u>(863,647)</u>
Loss for the period attributable to:			
Owners of the Parent Company		<u>30,612</u>	<u>(863,647)</u>

The notes on pages 20 to 40 form part of these financial statements.

CONSUMA HOLDINGS LIMITED
REGISTERED NUMBER: 03401941

CONSOLIDATED BALANCE SHEET
AS AT 28 MARCH 2020

	Note	28 March 2020 £	31 March 2019 £
Fixed assets			

Intangible assets	13		94,308	112,933
Tangible assets	14		4,668,082	4,572,942
			<u>4,762,390</u>	<u>4,685,875</u>
Current assets				
Stocks	16	2,753,315		2,525,595
Debtors	17	8,955,855		9,225,664
Cash at bank and in hand	18	681,427		400,392
		<u>12,390,597</u>		<u>12,151,651</u>
Creditors: Amounts falling due within one year	19	(12,064,411)		(9,648,437)
Net current assets			<u>326,186</u>	<u>2,503,214</u>
Total assets less current liabilities			<u>5,088,576</u>	<u>7,189,089</u>
Creditors: Amounts falling due after more than one year	20		(1,113,048)	(1,500,330)
Provisions for liabilities				
Deferred taxation	23		(190,671)	(178,218)
Net assets			<u><u>3,784,857</u></u>	<u><u>5,510,541</u></u>
Capital and reserves				
Called up share capital	24		169,601	169,601
Capital redemption reserve	25		937,067	937,067
Profit and loss account	25		2,678,189	4,403,873
			<u><u>3,784,857</u></u>	<u><u>5,510,541</u></u>

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

O Abbosh

Director

Date: 6 July 2020

The notes on pages 20 to 40 form part of these financial statements.

COMPANY BALANCE SHEET
AS AT 28 MARCH 2020

	Note	28 March 2020 £	31 March 2019 £
Fixed assets			
Investments	15	7,576,319	7,576,319
		<u>7,576,319</u>	<u>7,576,319</u>
Current assets			
Debtors	17	94,521	85,197
Cash at bank and in hand	18	3,763	-
		<u>98,284</u>	<u>85,197</u>
Creditors: Amounts falling due within one year	19	(5,231,137)	(5,254,661)
Net current liabilities		<u>(5,132,853)</u>	<u>(5,169,464)</u>
Total assets less current liabilities		<u>2,443,466</u>	<u>2,406,855</u>
Net assets		<u>2,443,466</u>	<u>2,406,855</u>
Capital and reserves			
Called up share capital	24	169,601	169,601
Capital redemption reserve	25	937,067	937,067
Profit and loss account brought forward	25	1,300,187	1,300,187
Profit for the period	25	1,792,907	-
Dividends in specie		(1,756,296)	-
		<u>1,336,798</u>	<u>1,300,187</u>
Profit and loss account carried forward		<u>2,443,466</u>	<u>2,406,855</u>

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

O Abbosh
Director

Date: 6 July 2020

The notes on pages 20 to 40 form part of these financial statements.

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

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 April 2019	169,601	937,067	4,403,873	5,510,541
Comprehensive income for the period				
Profit for the period	-	-	30,612	30,612
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	30,612	30,612
Dividends: Equity capital	-	-	(1,756,296)	(1,756,296)
Total transactions with the Parent Company	-	-	(1,756,296)	(1,756,296)
At 28 March 2020	<u>169,601</u>	<u>937,067</u>	<u>2,678,189</u>	<u>3,784,857</u>

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

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 April 2018	169,601	937,067	5,267,520	6,374,188
Comprehensive income for the period				
Loss for the period	-	-	(863,647)	(863,647)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	(863,647)	(863,647)
Total transactions with the Parent Company	-	-	-	-
At 31 March 2019	<u>169,601</u>	<u>937,067</u>	<u>4,403,873</u>	<u>5,510,541</u>

The notes on pages 20 to 40 form part of these financial statements.

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

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 April 2019	169,601	937,067	1,300,187	2,406,855
Comprehensive income for the period				
Profit for the period	-	-	1,792,907	1,792,907
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	1,792,907	1,792,907
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(1,756,296)	(1,756,296)
Total transactions with the Parent Company	-	-	(1,756,296)	(1,756,296)
At 28 March 2020	<u>169,601</u>	<u>937,067</u>	<u>1,336,798</u>	<u>2,443,466</u>

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

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 March 2018	169,601	937,067	1,300,187	2,406,855
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	-	-
Total transactions with the Parent Company	-	-	-	-
At 31 March 2019	<u>169,601</u>	<u>937,067</u>	<u>1,300,187</u>	<u>2,406,855</u>

The notes on pages 20 to 40 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 28 MARCH 2020**

	28 March 2020 £	31 March 2019 £
Cash flows from operating activities		
Profit/(loss) for the financial period	30,612	(863,647)
Adjustments for:		
Amortisation of intangible assets	37,921	36,077
Depreciation of tangible assets	679,328	788,585
Impairments of fixed assets	-	291,339
Loss on disposal of tangible assets	(6,335)	-
Interest paid	289,347	272,063
Taxation charge	(10,413)	(145,901)
Increase in stocks	(227,720)	(229,865)
Increase in debtors	(3,967,153)	(702,525)
Decrease/(increase) in amounts owed by groups	4,259,828	(4,370,191)
Increase in creditors	638,116	238,314
Corporation tax received/(paid)	-	(145,530)
Net cash generated from operating activities	1,723,531	(4,831,281)
Cash flows from investing activities		
Purchase of intangible fixed assets	(19,296)	(24,883)
Purchase of tangible fixed assets	(872,183)	(490,981)
Sale of tangible fixed assets	104,050	-
Finance lease interest paid	(181,022)	(130,021)
Net cash from investing activities	(968,451)	(645,885)
Cash flows from financing activities		
(Repayment of)/new finance leases	(319,496)	759,987
Dividends in specie	(1,756,296)	-
Interest paid	(108,325)	(142,042)
Increase in invoice discounting	1,811,234	3,881,153
Net cash used in financing activities	(372,883)	4,499,098

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 28 MARCH 2020

	28 March 2020 £	31 March 2019 £
Net increase/(decrease) in cash and cash equivalents	382,197	(978,068)
Cash and cash equivalents at beginning of period	299,230	1,277,298
Cash and cash equivalents at the end of period	<u>681,427</u>	<u>299,230</u>
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	681,427	400,392
Bank overdrafts	-	(101,162)
	<u>681,427</u>	<u>299,230</u>

The notes on pages 20 to 40 form part of these financial statements.

CONSUMA HOLDINGS LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE PERIOD ENDED 28 MARCH 2020**

	At 1 April 2019	Cash flows	New finance leases	At 28 March 2020
	£	£	£	£
Cash at bank and in hand	400,392	281,035	-	681,427
Bank overdrafts	(101,162)	101,162	-	-
Debt due within 1 year	(14,364)	(18,381)	-	(32,745)
Finance leases	(2,133,317)	-	319,496	(1,813,821)
	<u>(1,848,451)</u>	<u>363,816</u>	<u>319,496</u>	<u>(1,165,139)</u>

The notes on pages 20 to 40 form part of these financial statements.

CONSUMA HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2020**

1. General information

Consuma Holdings Limited presents its financial statements for the period ended 28 March 2020.

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 continued to be 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 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'.

2.2 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 profit and loss account from the date on which control is obtained. They are deconsolidated from the date control ceases.

CONSUMA HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2020**

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. The 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 and injected in excess of £8.5m of equity in Better All Round Limited, the group's ultimate holding company during the year ending 28 March 2020.

As at the date of this report, the Directors have a reasonable expectation that the 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 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'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2020**

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. Page 22

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

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

2.11 Intangible assets

5

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.

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. Accounting policies (continued)**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.

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.

During the year, the asset lives applicable to plant and machinery have been reviewed and revised with the result of the depreciation rate being changed to 15% straight line from the current year. The financial impact of this change in accounting estimate on the current year is a reduction in depreciation of £154,490.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of comprehensive income.

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. Accounting policies (continued)

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 and attributable overheads.

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.

2.17 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 Group 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2020**

2. Accounting policies (continued)

2.19 Financial instruments (continued)

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.

2.20 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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 period 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.

Asset impairment. In the prior period, 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.

Estimation uncertainty

There are no estimation uncertainties in applying the accounting policies of the organisation that have had a significant effect on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2020

4. Turnover - group

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

	2020 £	2019 £
Sale of goods	<u>32,035,471</u>	<u>28,718,022</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	30,539,204	27,550,529
Overseas	1,496,267	1,167,493
	<u>32,035,471</u>	<u>28,718,022</u>

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5. Operating profit/(loss) - group

The operating profit/(loss) is stated after charging:

	2020 £	2019 £
Amortisation of intangible assets	37,921	36,077
Depreciation of tangible assets	679,328	788,585
Impairment of tangible assets	-	291,339
Loss on disposal of tangible assets	(6,335)	-
Exchange differences	7,578	7,969
Other operating lease rentals	<u>436,365</u>	<u>464,013</u>

6. Auditor's remuneration - group

	2020 £	2019 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	<u>12,700</u>	<u>12,500</u>
Fees payable to the Group's auditor in respect of:		
Preparation of statutory financial statements	5,000	4,500
Taxation compliance services	<u>2,780</u>	<u>2,700</u>

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

	Group 28 March 2020 £	Group 31 March 2019 £
Wages and salaries	5,392,061	5,134,441
Social security costs	573,023	380,762
Cost of defined contribution scheme	210,531	79,224
	<u>6,175,615</u>	<u>5,594,427</u>

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

	2020 No.	2019 No.
Production staff	176	174
Administrative staff	47	32
Management staff	4	4
	<u>227</u>	<u>210</u>

The Company has no employees other than the Directors, who did not receive any remuneration (2019 - *£NIL*)

8. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	353,409	236,726
Company contributions to defined contribution pension schemes	64,053	41,097
	<u>417,462</u>	<u>277,823</u>

During the period retirement benefits were accruing to 4 Directors (2019 - 2) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £106,728 (2019 - £146,421).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £31,440 (2019 - £23,097).

CONSUMA HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2020**

9. Interest payable and similar expenses

	2020	2019
	£	£
Bank interest payable	108,325	142,042
Finance leases and hire purchase contracts	181,022	130,021
	<u>289,347</u>	<u>272,063</u>

10. Taxation

	2020	2019
	£	£
Corporation tax		
Adjustments in respect of previous periods	(22,866)	(40,776)
Total current tax	<u>(22,866)</u>	<u>(40,776)</u>
Deferred tax		
Origination and reversal of timing differences	(149)	(105,125)
Adjustments in respect of previous periods	(7,484)	-
Effect of tax rate change on opening balance	20,086	-
Taxation on loss on ordinary activities	<u>(10,413)</u>	<u>(145,901)</u>

CONSUMA HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2020**

10. Taxation (continued)**Factors affecting tax charge for the period**

The tax assessed for the period is lower than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit/(loss) on ordinary activities before tax	<u>20,199</u>	<u>(1,009,548)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	3,838	(191,814)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	404	-
Capital allowances for period in excess of depreciation	2,343	51,736
Other permanent differences	222	-
Adjustments to tax charge in respect of prior periods	(30,350)	(40,776)
Additional deduction for R&D expenditure	-	(40,706)
Adjust closing deferred tax to average rate of 19%	-	(20,967)
Adjust opening deferred tax to average rate of 19%	20,086	39,997
Deferred tax not recognised	-	56,629
Group relief	(6,956)	-
Total tax charge for the period	<u>(10,413)</u>	<u>(145,901)</u>

Factors that may affect future tax charges

There were no significant factors that may affect future tax charges.

11. Dividends

	28 March 2020 £	31 March 2019 £
Dividends in specie	<u>1,756,296</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2020

12. Non recurring administrative expenses

	2020 £	2019 £
Non recurring consultancy costs	<u>40,594</u>	<u>259,465</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. 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.

13. Intangible assets

Group

	Software £
Cost	
At 1 April 2019	192,653
Additions	19,296
At 28 March 2020	<u>211,949</u>
Amortisation	
At 1 April 2019	79,720
Charge for the period	37,921
At 28 March 2020	<u>117,641</u>
Net book value	
At 28 March 2020	<u>94,308</u>
At 31 March 2019	<u>112,933</u>

None of the above intangible assets have been internally generated.

CONSUMA HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2020**

14. Tangible fixed assets**Group**

	Leasehold property improvements	Plant and machinery	Total
	£	£	£
Cost			
At 1 April 2019	1,445,369	9,527,554	10,972,923
Additions	18,509	853,674	872,183
Elimination of Opening Balance Adjustments	-	(810,581)	(810,581)
At 28 March 2020	<u>1,463,878</u>	<u>9,570,647</u>	<u>11,034,525</u>
Depreciation			
At 1 April 2019	899,330	5,500,651	6,399,981
Charge for the period	94,788	584,540	679,328
Elimination of Opening Balance Adjustments	-	(712,866)	(712,866)
At 28 March 2020	<u>994,118</u>	<u>5,372,325</u>	<u>6,366,443</u>
Net book value			
At 28 March 2020	<u>469,760</u>	<u>4,198,322</u>	<u>4,668,082</u>
At 31 March 2019	<u>546,039</u>	<u>4,026,903</u>	<u>4,572,942</u>

The 1 April 2019 Plant & Machinery Cost and Depreciation balances have been adjusted by £810,581 and £712,866 respectively to reflect prior year adjustments in relation to asset impairments reported in the year ending 31 March 2019.

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

	28 March 2020	31 March 2019
	£	£
Plant and machinery	<u>3,706,374</u>	<u>2,882,291</u>

CONSUMA HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2020**

15. Fixed asset investments

Cost or valuation

At 1 April 2019

Page 32
7,576,319

At 28 March 2020

7,576,319**Net book value**

At 28 March 2020

7,576,319**At 31 March 2019**7,576,319**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Consuma Paper Products Limited	Manufacture of own label tissue products for the major retailers	Ordinary	100%
Consuma Direct Limited	Dormant	Ordinary	100%
Consuma Limited	Dormant	Ordinary	100%
Staples Tissues Products Limited	Dormant	Ordinary	100%
Staples Disposables Limited	Dormant	Ordinary	100%

The registered office of all subsidiary undertakings is Hurlingham Business Park, Fulbeck Heath, Grantham, Lincolnshire, NG32 3HL. All of the above subsidiaries are included within these consolidated financial statements.

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

CONSUMA HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2020**

16. Stocks

	Group 28 March 2020 £	Group 31 March 2019 £
Raw materials and consumables	2,182,189	1,746,402
Finished goods and goods for resale	571,126	779,193
	<u>2,753,315</u>	<u>2,525,595</u>

17. Debtors

	Group 28 March 2020 £	Group 31 March 2019 £	Company 28 March 2020 £	Company 31 March 2019 £
Trade debtors	8,158,578	4,403,282	-	-
Amounts owed by Parent Company	110,363	4,370,191	-	-
Other debtors	63,607	47,174	-	-
Prepayments and accrued income	623,307	405,017	94,521	85,197
	<u>8,955,855</u>	<u>9,225,664</u>	<u>94,521</u>	<u>85,197</u>

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

18. Cash and cash equivalents

	Group 28 March 2020 £	Group 31 March 2019 £	Company 28 March 2020 £	Company 31 March 2019 £
Cash at bank and in hand	681,427	400,392	3,763	-
Less: bank overdrafts	-	(101,162)	-	(101,162)
	<u>681,427</u>	<u>299,230</u>	<u>3,763</u>	<u>(101,162)</u>

CONSUMA HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2020**

19. Creditors: Amounts falling due within one year

	Group 28 March 2020 £	Group 31 March 2019 £	Company 28 March 2020 £	Company 31 March 2019 £
Bank overdrafts	-	101,162	-	101,162
Trade creditors	4,159,817	4,047,283	-	-

Amounts owed to group undertakings	-	-	5,231,137	5,153,499
Other taxation and social security	636,512	376,636	-	-
Obligations under finance lease	700,773	632,987	-	-
Other creditors	6,463,065	4,249,724	-	-
Accruals and deferred income	104,244	240,645	-	-
	<u>12,064,411</u>	<u>9,648,437</u>	<u>5,231,137</u>	<u>5,254,661</u>

Included within other creditors is an amount of £5,954,031 (2019: £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. In addition the Company is party to a further debenture in respect of loan notes amounting to £2,606,444 (2019: £2,554,039) in the immediate Parent Company.

Finance leases are secured against the individual assets acquired.

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

	Group 28 March 2020 £	Group 31 March 2019 £
Obligations under finance lease	<u>1,113,048</u>	<u>1,500,330</u>

Finance leases are secured against the individual assets acquired.

CONSUMA HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2020**

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 28 March 2020 £	Group 31 March 2019 £
Within one year	700,773	632,987
Between 1-5 years	1,113,048	1,500,330
	<u>1,813,821</u>	<u>2,133,317</u>

22. Financial instruments

	Group 28 March 2020 £	Group 31 March 2019 £	Company 28 March 2020 £	Company 31 March 2019 £
Financial assets				
Financial assets measured at amortised cost	681,427	400,392	3,763	-
Financial assets that are debt instruments measured at amortised cost	8,268,941	8,779,906	-	-
	<u>8,950,368</u>	<u>9,180,298</u>	<u>3,763</u>	<u>-</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(10,590,137)</u>	<u>(8,398,169)</u>	<u>(5,231,137)</u>	<u>(5,254,661)</u>

CONSUMA HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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22. Financial instruments (continued)**Group**

Financial assets measured at amortised cost comprises of bank and cash balances of £681,427 (2019: £400,392).

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors of £8,158,578 (2019: £4,403,282), other debtors of £Nil (2019: £6,433) and amounts owed by Group Undertakings of £110,363 (2019: £4,370,191).

Financial liabilities measured at amortised cost comprise of trade creditors of £4,159,817 (2019: £4,047,283), other creditors of £6,430,319 (2019: £4,249,724), amounts owed to Group Undertakings of £5,231,137 (2019: £Nil) and bank overdrafts of £Nil (2019: £101,162).

Company

Financial assets measured at amortised cost comprises of bank and cash balances of £3,763 (2019: £Nil).

Financial liabilities measured at amortised cost comprise of amounts owed to Group Undertakings of £5,231,137 (2019: £5,153,499) and bank overdrafts of £Nil (2019: £101,162).

Financial assets measured at amortised cost comprises of bank and cash balances of £3,763 (2019: £Nil).

Financial liabilities measured at amortised cost comprise of amounts owed to Group Undertakings of £5,231,137 (2019: £5,153,499) and bank overdrafts of £Nil (2019: £101,162).

23. Deferred taxation**Group**

	2020 £	2019 £
At beginning of year	(178,218)	(283,343)
Charged to profit or loss	(12,453)	105,125
At end of year	<u>(190,671)</u>	<u>(178,218)</u>
	Group 28 March 2020 £	Group 31 March 2019 £
Accelerated capital allowances	<u>(190,671)</u>	<u>(178,218)</u>

CONSUMA HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2020**

24. Share capital

	28 March 2020	31 March 2019
	£	£
Allotted, called up and fully paid		
169,601 (2019 - 169,601) Ordinary shares of £1.00 each	<u>169,601</u>	<u>169,601</u>

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

25. Reserves

Capital redemption reserve

The capital redemption reserve is a non-distributable reserve and represents the amounts received above the nominal value paid for shares redeemed, less transaction costs.

Profit and loss account

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

26. Contingent liabilities

The Group has guaranteed indemnities given by its bankers in favour of HM Revenue and Customs, totalling £30,000 (2019: £70,000).

27. Capital commitments

At 28 March 2020 the Group and Company had capital commitments as follows:

	Group 28 March 2020	Group 31 March 2019
	£	£
Contracted for but not provided in these financial statements	<u>-</u>	<u>157,000</u>

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 £210,531 (2019: £79,224) represents contributions payable by the Group funds. At the period end there was a pension creditor balance of £32,745 (2019: £14,364).

CONSUMA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2020

29.

Commitments under operating leases

At 28 March 2020 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 28 March 2020 £	Group 31 March 2019 £
Land and buildings		
Not later than 1 year	342,750	342,750
Later than 1 year and not later than 5 years	1,256,750	1,599,500
	<u>1,599,500</u>	<u>1,942,250</u>
	Group 28 March 2020 £	Group 31 March 2019 £
Other lease commitments		
Not later than 1 year	98,323	79,519
Later than 1 year and not later than 5 years	188,991	<u>97,924</u>

Later than 5 years

8,591

-

295,905

176,743

30. Related party transactions

Consuma 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 Consuma Holdings Limited. Included within debtors is an amount of £39,444 (2019: £4,270,265) owed by AnCellTek Holdings Limited, the immediate Parent Company. The amount is unsecured, interest free and repayable on demand. As at 30 September 2019, £2.3m was repaid. During the year, £99,469 (2019: £685,508) of expenses were recharged to Better All Round Limited, the ultimate Parent Company. Included within amounts owed by group undertakings is an amount of £70,920 (2019: £98,113) owed by Better All Round Limited. 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 £Nil (2019: £378,719). At the balance sheet date no amounts were outstanding (2019: £Nil).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2020**

31. Controlling party

The Company's immediate Parent Company is AnCellTek Holdings Limited, a Company incorporated in England and Wales.

The Company's 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 AnCellTek Holdings Limited. Copies of the consolidated financial statements of AnCellTek Holdings 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.