

Registered number: 05623945

BBI HEALTHCARE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



BBI HEALTHCARE LIMITED

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BBI HEALTHCARE LIMITED

COMPANY INFORMATION

Directors

M P Gualano
C Egstrand
R G A Couzens

Registered number

05623945

Registered office

C/O Berry Smith LLP
Haywood House
Dumfries Place
Cardiff
CF10 3GA

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
One Kingsway
Cardiff
CF10 3PW

BBI HEALTHCARE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the Strategic Report of BBI Healthcare Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2020.

Business review

The Group focuses on women's health and energy management products through sales, marketing and distribution of its own manufactured product ranges and those of commercial partners, as well as under license and supply agreements for the women's health product portfolio. Healthcare has differentiated itself from its competitors by developing, manufacturing and distributing an innovative portfolio of healthcare products for women's health and energy management. These products are sold to consumer retail, healthcare professional and export markets from a third-party logistics partner based in Derbyshire, and a manufacturing facility in Gnesta, Sweden. All products adhere to the quality and regulatory requirements of the markets that Healthcare serves.

The range can be purchased over the counter in the UK and internationally, as well as being available to buy online. Part of the energy management portfolio is also sold on prescription within the UK. The products are delivered to the market in the UK via retail channels including multiple grocery retailers, high street pharmacies, pharmacy wholesalers, health and wellbeing outlets, and overseas via a distributor network.

Healthcare has gained a reputation and has a track record for driving initiatives and working with leading names in healthcare to improve awareness and education of issues around women's health and glucose management.

Following the relaunch of the Balance Activ brand portfolio and launch of the new Lift brand in 2019, the business has expanded its operations further into North America through Amazon.com in 2020 which is continuing to gain momentum. The Healthcare management team continue to explore opportunities to further establish the online presence for its brands in new markets as well as developing new products for customers which complement the existing range.

In 2020, underlying revenue (defined as the Group's core product range) increased 8.6% year on year from £9.4m to £10.2m following the commencement of online selling direct to consumers through Amazon in the UK and North America, as well as the launch of new Women's Health products and distribution gains achieved for the energy management product range. Operating profit was slightly below previous year at £0.6m (2019: £0.8m) reflecting P&L investment made to help establish BBI's brands online. At 31 December 2020, the Healthcare Group had net assets of £2.4m (2019: £1.4m).

BBI HEALTHCARE LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. Risks are formally reviewed by the board and appropriate processes put in place to monitor and mitigate them. The key business risks affecting the Group are set out below:

Competition and product innovation

The Group operates in a competitive market with significant product innovations and is subject to the threat of competitors launching new products that could render the Group's range of products obsolete and so result in a rapid loss of market share. To reduce this risk the Group works in close communication with its customers and suppliers to ensure that the Group's own products continue to meet their needs. The Group reacts to customer needs by adjusting its strategy accordingly. The Group continually seeks new innovative products and technologies in order to maximise its market position and mitigate any risks.

Covid-19

The COVID-19 pandemic in 2020 has caused uncertainty across the World, and most countries have implemented 'lock down' measures to mitigate the spread of the virus, which are having a material effect on communities and the economy. We have implemented plans to ensure that our employees stay safe and that we are able to continue servicing our customers' demand. The impact of the pandemic led to the planned initiative in Canada being postponed and also suppressed the expected level of overall growth from UK operations, however the resilient performance of the brands throughout this period has left the business well positioned to recover as part of a wider market rebound.

Brexit

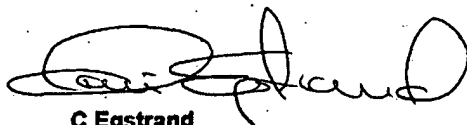
Following the UK's formal departure from the European Union on 31 January 2020, the board will continue to monitor developments to assess the impact of 'Brexit' on the BBI Group. During the transitional period to 31 December 2020, there are no major changes in the UK-EU trading relationship with the UK effectively remaining in the EU's customs union and single market, therefore we have seen no direct impact on our day-to-day operations.

Financial key performance indicators

The Healthcare Group uses turnover and EBITDA from underlying activities as its Key Performance Indicators. The underlying activities exclude revenue and EBITDA from low margin third party products where distribution agreements were ceased in March 2019. Performance against these measures was satisfactory during the year. EBITDA comprises of profit before interest, tax, depreciation, amortisation and exceptional items.

- Turnover from underlying activities £10.2m (FY20) and £9.4m (FY19);
- EBITDA from underlying activities £2.3m (FY20) and £2.3m (FY19).

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



C Egstrand

Director

Date: 13-04-21

BBI HEALTHCARE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and the audited consolidated financial statements of BBI Healthcare Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2020.

Principal activities

BBI Healthcare Limited is a 100% indirectly owned subsidiary of BBI Group Holdco Limited.

The Group's principal activity is the sale, marketing and distribution of consumer healthcare products.

BBI Healthcare Limited has two main product groups, these being:

- Energy products where the Company supplies a range of glucose products for energy management;
- Women's health where the Company's principal supply is a treatment for bacterial vaginosis which is registered as a class 2 medical device.

Results and dividends

The profit for the financial year amounted to £1,064,000 (2019: £195,000).

During the year the Company declared dividends of £Nil (2019: £Nil).

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

M P Gualano
C Egstrand
R G A Couzens
A E Peterson (resigned 6 August 2020)

Future developments

The directors will continue to implement new policies and procedures in order for the Group to deliver on the strategy agreed by the board of directors.

The key development activities planned for the next twelve months are as follows:

- Supporting the UK market recovery from Covid-19;
- Increasing international footprint of BBI's brands through further expansion in North America and Europe;
- Expansion of the women's health product portfolio and customer base through new license and supply agreements.

Since the year end, the Group has signed a five year agreement with minimum order quantities on an exclusive basis with a blue-chip organisation to manufacture products under license and supply for markets in Europe, North America and Asia.

BBI HEALTHCARE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Financial risk management

The Group's activities expose it to a number of financial risks including foreign exchange risk, credit risk, liquidity risk, interest rate cash flow risk and price risk. The Group does not use derivative financial instruments to manage any of these risks.

Foreign exchange risk

The Group's activities expose it primarily to the financial risks of volatility in foreign currency exchange rates. The Group does not use foreign exchange forward contracts to hedge these exposures for cost benefit reasons but it does maximise the matching of foreign currency receipts and payments wherever possible to minimise foreign exchange risks.

Credit risk

The Group's financial assets are bank balances and cash, trade and other debtors. The Group's credit risk is primarily attributable to its trade debtors which are presented in the Balance Sheet net of allowances for doubtful debts. Customer credit limits are used to manage credit risk and allowances for doubtful debts are made when specific customer events or circumstances give rise to evidence of a reduction in the recoverable cash flows associated with the debt. The Group has no unusual concentration of credit risk with exposure spread over a large number of customers.

The credit risk on bank balances is limited because the counterparties are banks with high credit ratings assigned by appropriate credit-rating agencies.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group uses long and short term debt finance provided by fellow Group companies.

Interest rate cash flow risk

The Group has interest bearing assets. Interest bearing assets include only bank balances which earn interest at floating rates.

Price risk

The Group does not manage commodity price risk due to cost benefit considerations.

Going concern

The BBI Group is financed through bank and shareholder debt and BBI is profitable at an EBITDA level and cash generative from its operating activities. The BBI Group's forecasts show that it is expected to be profitable at an EBITDA level and cash generative from its operating activities for the foreseeable future and the BBI Group has the ability to remain within its committed lending facilities. Therefore the directors have prepared the financial statements on the going concern basis.

BBI HEALTHCARE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

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


Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

BBI HEALTHCARE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

The financial statements on pages 11 to 16 were approved by the Board of Directors on and signed on its behalf by:



C Egstrand
Director

Date: 13-04-21

BBI HEALTHCARE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BBI HEALTHCARE LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, BBI Healthcare Limited's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2020 and of the Group's profit and the Group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: Consolidated and Company Balance Sheets as at 31 December 2020; Consolidated Statement of Comprehensive Income, Consolidated and Company Statements of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

BBI HEALTHCARE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BBI HEALTHCARE LIMITED (CONTINUED)

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to product and quality standards, employment legislation, health and safety regulation and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries to manipulate financial results and potential management bias in accounting estimates. Audit procedures performed included:

- Evaluation of the adequacy of the design of management's controls to prevent and detect irregularities;
- Enquiry of group management and chief operating officer around known or suspected instances of non-compliance with laws and regulations and fraud;
- Review of minutes of meetings of those charged with governance;
- Challenging assumptions made by management in its significant accounting estimates; and
- Identifying and testing the validity of journal entries, in particular any journal entries posted with unusual account combinations and consolidation journals.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

BBI HEALTHCARE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BBI HEALTHCARE LIMITED (CONTINUED)

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

KE KM

Katharine Finn (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff
Date: 14 April 2021

BBI HEALTHCARE LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £000	2019 £000
Turnover	5	10,234	10,050
Cost of sales		(5,445)	(5,369)
Gross profit		4,789	4,681
Administrative expenses		(3,653)	(3,260)
Exceptional items	6	(560)	(594)
Operating profit	7	576	827
Finance costs	11	784	(870)
Profit/(loss) before taxation		1,360	(43)
Tax on profit/(loss)	12	(296)	238
Profit for the financial year		1,064	195
Other comprehensive (expense)/income for the financial year:			
Foreign exchange differences arising on retranslation on consolidation		(75)	129
Other comprehensive (expense)/income for the financial year		(75)	129
Total comprehensive income for the financial year		989	324

The notes on pages 17 to 39 form part of these financial statements.

BBI HEALTHCARE LIMITED
REGISTERED NUMBER: 05623945

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Fixed assets			
Intangible assets	13	5,551	5,472
Tangible assets	14	3,283	3,412
		<u>8,834</u>	<u>8,884</u>
Current assets			
Stocks	16	1,357	1,047
Debtors: amounts falling due within one year	17	2,671	2,550
Cash at bank and in hand	19	1,362	1,062
		<u>5,390</u>	<u>4,659</u>
Creditors: amounts falling due within one year	20	(11,860)	(12,168)
Net current liabilities		<u>(6,470)</u>	<u>(7,509)</u>
Total assets less current liabilities		<u>2,364</u>	<u>1,375</u>
Capital and reserves			
Called up share capital	22		
Profit and loss account	23	2,364	1,375
Total shareholders' funds		<u>2,364</u>	<u>1,375</u>

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

Richard Couzens

R G A Couzens
 Director

Date: 13 April 2021

The notes on 17 to 39 form part of these financial statements.

BBI HEALTHCARE LIMITED
REGISTERED NUMBER: 05623945

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Fixed assets			
Intangible assets	13	1,088	1,262
Tangible assets	14	1	3
Investments	15	2,466	2,466
		<u>3,555</u>	<u>3,731</u>
Current assets			
Stocks	16	1,097	870
Debtors: amounts falling due after more than one year	17	2,606	2,346
Debtors: amounts falling due within one year	17	1,649	1,470
Cash at bank and in hand	19	456	576
		<u>5,808</u>	<u>5,262</u>
Creditors: amounts falling due within one year	20	(4,080)	(3,926)
Net current assets		<u>1,728</u>	<u>1,336</u>
Total assets less current liabilities		<u>5,283</u>	<u>5,067</u>
Capital and reserves			
Called up share capital	22		
Profit and loss account brought forward	23	5,067	4,761
Profit for the financial year	23	216	306
		<u>5,283</u>	<u>5,067</u>
Profit and loss account carried forward	23	5,283	5,067
Total shareholders' funds		<u>5,283</u>	<u>5,067</u>

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

Richard Couzens

R G A Couzens
 Director

Date: 13 April 2021

The notes on 17 to 39 form part of these financial statements.

BBI HEALTHCARE LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £000	Profit and loss account £000	Total shareholders' funds £000
At 1 January 2019	-	1,051	1,051
Comprehensive income for the financial year			
Profit for the financial year	-	195	195
Foreign exchange differences arising on retranslation on consolidation	-	129	129
Other comprehensive income for the financial year	-	129	129
Total comprehensive income for the financial year	-	324	324
At 31 December 2019 and 1 January 2020	-	1,375	1,375
Comprehensive income for the financial year			
Profit for the financial year	-	1,064	1,064
Foreign exchange differences arising on retranslation on consolidation	-	(75)	(75)
Other comprehensive expense for the financial year	-	(75)	(75)
Total comprehensive income for the financial year	-	989	989
At 31 December 2020	-	2,364	2,364

The notes on pages 17 to 39 form part of these financial statements.

BBI HEALTHCARE LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £000	Profit and loss account £000	Total shareholders' funds £000
At 1 January 2019	-	4,761	4,761
Comprehensive income for the financial year			
Profit for the financial year	-	306	306
Total comprehensive income for the financial year	-	306	306
At 31 December 2019 and 1 January 2020	-	5,067	5,067
Comprehensive income for the financial year			
Profit for the financial year	-	216	216
Total comprehensive income for the financial year	-	216	216
At 31 December 2020	-	5,283	5,283

The notes on pages 17 to 39 form part of these financial statements.

BBI HEALTHCARE LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £000	2019 £000
Cash flows from operating activities		
Profit for the financial year	1,064	195
Adjustments for:		
Finance income/(costs)	(784)	870
Taxation charge	296	(238)
Amortisation of intangible assets	635	480
Depreciation of tangible assets	469	465
Increase in stocks	(283)	(117)
(Increase)/decrease in debtors	(27)	73
(Decrease) in creditors	(847)	(673)
Corporation tax paid	(7)	(23)
Foreign Exchange	(5)	-
Net cash generated from operating activities	511	1,032
Cash flows from investing activities		
Purchase of intangible assets	(298)	(315)
Purchase of tangible assets	(24)	(129)
Net cash used in investing activities	(322)	(444)
Net increase in cash and cash equivalents	189	588
Cash and cash equivalents at beginning of the financial year	1,062	508
Foreign exchange gains and losses	111	(34)
Cash and cash equivalents at the end of the financial year	1,362	1,062
Cash and cash equivalents at the end of the financial year comprise:		
Cash at bank and in hand	1,362	1,062

Net debt reconciliation

	At 1 January 2020 £000	Cash flows £000	Other non- cash changes £000	At 31 December 2020 £000
Cash at bank and in hand	1,062	194	106	1,362
Debt due	-	-	-	-
Net debt	1,062	194	106	1,362

The notes on pages 17 to 39 form part of these financial statements.

BBI HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

BBI Healthcare Limited (the "Company") and its subsidiaries (together the "Group") are engaged in the sale, marketing and distribution of consumer healthcare products.

The Company is a private company limited by shares and is incorporated in the United Kingdom and domiciled in England and Wales. The address of its registered office is C/O Berry Smith LLP Haywood House, Dumfries Place, Cardiff, CF10 3GA.

2. Statement of compliance

The consolidated financial statements of BBI Healthcare Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Accounting policies

3.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom 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 Company's accounting policies (see note 4).

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

The following principal accounting policies have been applied consistently throughout the year:

3.2 Basis of consolidation

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as if they formed 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 Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

BBI HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3. Accounting policies (continued)

3.3 Exemptions for qualifying entities under FRS 102

The Company has taken advantage of the exemption, under FRS 102 paragraph 33.7, from disclosing the total compensation of key management personnel, on the basis that it is a qualifying entity and its ultimate parent company, BBI Group Holdco Limited, includes the Company's key management compensation in its own consolidated financial statements.

This information is included in the consolidated financial statements of BBI Group Holdco Limited as at 31 December 2020 which can be obtained from Berry Smith LLP, Haywood House, Dumfries Place, Cardiff, CF10 36A.

3.4 Related party transactions

The Company has taken advantage of the exemption, under FRS 102 paragraph 33.2, from disclosing transactions with members of the same Group that are wholly owned.

3.5 Going concern

The BBI Group is financed through bank and shareholder debt and BBI is profitable at an EBITDA level and cash generative from its operating activities. The BBI Group's forecasts show that it is expected to be profitable at an EBITDA level and cash generative from its operating activities for the foreseeable future and the BBI Group has the ability to remain within its committed lending facilities. Therefore the directors have prepared the financial statements on the going concern basis.

3.6 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

BBI HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3. Accounting policies (continued)

3.7 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 Statement of Comprehensive Income over its useful economic life of 20 years.

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.

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.

Amortisation is charged to Administrative expenses in the Consolidated Statement of Comprehensive Income.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

Impairment tests on the carrying value of intangible assets are undertaken if events or changes in circumstances indicate that the carrying value may not be recoverable.

Licences

Licences are included at cost and amortised in equal installments over a period of the license which is its estimated useful economic life.

BBI HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3. Accounting policies (continued)

3.8 Tangible assets

Tangible 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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

Repairs and maintenance costs are expensed as incurred.

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

Freehold property	-	2% straight line
Plant and machinery	-	10% - 33% straight line
Fixtures and fittings	-	10% - 33% straight line
Computer equipment	-	20% - 33% 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.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. 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.

3.9 Impairment of non-financial assets

At each Balance Sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Consolidated Statement of Comprehensive Income, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

BBI HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3. Accounting policies (continued)

3.10 Investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

3.11 Operating leases

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

3.12 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 and includes transport and handling costs; in the case of manufactured products the cost of work in progress and finished goods includes all direct expenditure and production overheads based on normal levels of activity.

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. Where a reversal of the impairment is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the Consolidated Statement of Comprehensive Income.

3.13 Debtors

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

3.14 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

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.

BBI HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3. Accounting policies (continued)

3.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax 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.

Where relief is claimed against losses sustained by other companies in the Group, this relief is charged to the Company by the donor Company at the rate of £1 for every £1 of taxation not paid. Amounts payable for group relief are included in the taxation charge of the Company.

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.

Current or deferred taxation assets and liabilities are not discounted.

3.16 Creditors

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

3.17 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income 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.

BBI HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3. Accounting policies (continued)

3.18 Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

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 payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income 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 Company in independently administered funds.

(iii) Annual bonus plan

The Group operates a discretionary bonus plan for employees. An expense is recognised in the Statement of Comprehensive Income when the Group has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

3.19 Financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including amounts owed by group undertakings, trade and other debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

BBI HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3. Accounting policies (continued)

3.19 Financial instruments (continued)

(ii) Financial liabilities

Basic financial liabilities, including amounts owed to group undertakings, trade and other creditors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as Creditors: amounts falling due within one year if payment is due within one year or less. If not, they are presented as Creditors: amounts falling due after more than one year. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.20 Foreign currency translation

Functional and presentation currency

The Group and 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 where the original transaction was recorded.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

BBI HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3. Accounting policies (continued)

3.21 Exceptional items

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

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

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

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

(i) Stock provisioning

The Group is involved in the sale, marketing and distribution of consumer healthcare products, and these products are subject to changes in demand and limited shelf lives. As a result it is necessary to consider the recoverability of the cost of stocks and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials. See note 16 for the net carrying amount of the stocks.

(ii) Impairment of debtors

The Group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 17 for the net carrying amount of the debtors.

(iii) Carrying value of intangible assets and investments

The Company considers whether intangible assets and investments are impaired. This requires estimation of future revenues and future cash flows from the cash generating units and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

See note 13 and 15 for disclosure relating to those intangible assets and investments that were assessed for impairment indicators.

BBI HEALTHCARE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****5. Turnover**

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

	2020 £000	2019 £000
Sale of goods	10,234	10,050

Analysis of turnover by country of destination:

	2020 £000	2019 £000
United Kingdom	6,499	7,121
Rest of Europe	3,644	2,438
North America	56	-
Rest of the world	35	491
	10,234	10,050

6. Exceptional items

	2020 £000	2019 £000
Restructuring	356	-
Professional fees	74	-
COVID-19	130	-
Healthcare rebrand	-	594
	560	594

The BBI Healthcare Group has incurred exceptional restructuring costs in relation to exiting onerous agreements, cancellation of certain product launches and redundancy costs.

The BBI Healthcare Group has incurred incremental and onerous costs during FY20 as a result of Covid.

BBI Healthcare has also incurred professional fees with advisors in relation to M&A activity.

BBI HEALTHCARE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****7. Operating profit:**

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

	2020	2019
	£000	£000
Depreciation of tangible assets	469	465
Amortisation of intangible assets	635	480
Operating lease rentals	150	16
Exchange differences	(39)	48
Exceptional items	560	594
	=====	=====

8. Auditors' remuneration

	2020	2019
	£000	£000
Fees payable to the Group's auditors for the audit of the Group's financial statements	20	20
	=====	=====

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

The auditing of financial statements of associates of the Group pursuant to legislation	12	12
Other services relating to taxation	8	8
All other services	34	5
	=====	=====

BBI HEALTHCARE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****9. Employees**

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

	Group 2020 £000	Group 2019 £000
Wages and salaries	1,130	1,114
Social security costs	257	246
Other pension costs	57	52
	<u>1,444</u>	<u>1,412</u>

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

	2020 Number	2019 Number
Sales and distribution	4	4
Production	16	19
Administration	3	2
	<u>23</u>	<u>25</u>

Staff costs relate to costs recharged from BBI Resources Limited for staff who are contracted by this Group. However, these costs are subsequently recharged to other trading companies within the BBI Group, via a management recharge which is included within administrative expenses, for the services that they perform.

BBI HEALTHCARE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****10. Directors' remuneration**

	2020	2019
	£000	£000
Aggregate directors' remuneration	208	209

During the year retirement benefits were accruing to no directors (2019: no) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £208,000 (2019: £209,000).

Certain directors of the Company hold employment contracts with other group companies.

The emoluments shown above are the emoluments that are recharged to the Group for the services received from directors whose employment relates principally to this Group. The total emoluments of the directors are disclosed within Eagle SPV 3 Limited financial statements. Whilst this Group receives a recharge from BBI Resources Limited for the directors who are contracted by this Group, this is subsequently recharged to other trading companies within the BBI Group, via a management recharge, for the services that they perform. Therefore, it is not possible to apportion emoluments across the various group companies.

11. Finance costs

	2020	2019
	£000	£000
Exchange (gains)/losses on intercompany loans	(784)	870

BBI HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

12. Tax on profit/(loss)

	2020 £000	2019 £000
Corporation tax		
Current tax on losses for the year	-	24
Adjustment in respect of prior years	294	(374)
Total current tax	294	(350)
Deferred tax		
Origination and reversal of timing differences	5	(11)
Effect of changes in tax rates	(3)	1
Adjustment in respect of prior years	-	122
Total deferred tax	2	112
Total tax	296	(238)

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is higher than (2019: lower than) the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%). The differences are explained below:

	2020 £000	2019 £000
Profit/(loss) before taxation	1,360	(43)
Profit/(loss) before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	258	(8)
Effects of:		
Expenses not deductible for tax purposes	60	94
Non-taxable income	(265)	-
Tax rate changes	(3)	1
Adjustment in respect of prior years	294	(252)
Group relief not paid for	(48)	(73)
Total tax charge/(credit) for the financial year	296	(238)

BBI HEALTHCARE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****12. Tax on profit/(loss) (continued)****Factors that may affect future tax charges**

In the Spring Budget 2021, the government announced that from 1 April 2023 the headline corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% had not been substantively enacted at the Balance Sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the Balance Sheet date, would not be material to disclose.

13. Intangible assets**Group**

	Licences £000	Development costs £000	Goodwill £000	Total £000
Cost				
At 1 January 2020	717	574	10,846	12,137
Additions	7	307	-	314
Foreign exchange movement	-	24	660	684
At 31 December 2020	724	905	11,506	13,135
Accumulated amortisation				
At 1 January 2020	359	37	6,269	6,665
Charge for the year	34	161	440	635
Foreign exchange movement	-	2	282	284
At 31 December 2020	393	200	6,991	7,584
Net book value				
At 31 December 2020	331	705	4,515	5,551
At 31 December 2019	358	537	4,577	5,472

BBI HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Intangible assets (continued)

Company

	Licences £000	Development costs £000	Goodwill £000	Total £000
Cost				
At 1 January 2020	696	358	4,285	5,339
Additions	7	47	-	54
At 31 December 2020	<u>703</u>	<u>405</u>	<u>4,285</u>	<u>5,393</u>
Accumulated amortisation				
At 1 January 2020	362	15	3,700	4,077
Charge for the year	34	92	102	228
At 31 December 2020	<u>396</u>	<u>107</u>	<u>3,802</u>	<u>4,305</u>
Net book value				
At 31 December 2020	<u>307</u>	<u>298</u>	<u>483</u>	<u>1,088</u>
At 31 December 2019	<u>334</u>	<u>343</u>	<u>585</u>	<u>1,262</u>

BBI HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Tangible assets

Group

	Freehold property £000	Plant & machinery £000	Fixtures & fittings £000	Computer equipment £000	Total £000
Cost					
At 1 January 2020	1,208	3,542	406	86	5,242
Additions	-	36	-	28	64
Transfer of assets	-	(40)	-	-	(40)
Exchange adjustments	115	326	25	2	468
At 31 December 2020	<u>1,323</u>	<u>3,864</u>	<u>431</u>	<u>116</u>	<u>5,734</u>
Accumulated depreciation					
At 1 January 2020	254	1,213	277	86	1,830
Charge for the year	79	363	22	5	469
Transfer of assets	-	(1)	-	-	(1)
Exchange adjustments	24	116	13	-	153
At 31 December 2020	<u>357</u>	<u>1,691</u>	<u>312</u>	<u>91</u>	<u>2,451</u>
Net book value					
At 31 December 2020	<u>966</u>	<u>2,173</u>	<u>119</u>	<u>25</u>	<u>3,283</u>
At 31 December 2019	<u>954</u>	<u>2,329</u>	<u>129</u>	<u>-</u>	<u>3,412</u>

BBI HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Tangible assets (continued)

Company

	Plant & machinery £000	Fixtures & fittings £000	Computer equipment £000	Total £000
Cost				
At 1 January 2020	62	150	68	280
At 31 December 2020	62	150	68	280
Accumulated depreciation				
At 1 January 2020	62	147	68	277
Charge for the year	-	2	-	2
At 31 December 2020	62	149	68	279
Net book value				
At 31 December 2020	-	1	-	1
At 31 December 2019	-	3	-	3

BBI HEALTHCARE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****15. Investments****Company**

	Investments in subsidiary companies £000
Cost and book value	
At 1 January 2020	2,466
At 31 December 2020	<u>2,466</u>

Direct subsidiary undertaking

The following was a direct subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
British Biocell International Healthcare Holdings AB	Box 123, SE-646 22 Gnesta, Sweden	Holding company	Ordinary	100%

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Kullgren Holdings AB	Box 123, SE-646 22 Gnesta, Sweden	Holding company	Ordinary	100%
Rolf Kullgren AB	Box 123, SE-646 22 Gnesta, Sweden	Manufacturer of healthcare products	Ordinary	100%

BBI HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

16. Stocks

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Raw materials and consumables	82	188	-	-
Finished goods and goods for resale	1,275	859	1,097	870
	<u>1,357</u>	<u>1,047</u>	<u>1,097</u>	<u>870</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

17. Debtors

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Due after more than one year				
Amounts owed by group undertakings	-	-	2,606	2,346

All amounts owed by group undertakings of the BBI Group Holding Limited Group are unsecured. There are no formal arrangements in place for the repayment of amounts owed by fellow subsidiaries and interest is not charged on these balances. However, the Company has provided confirmation that the amount owed will not be called within twelve months from the Balance Sheet date. Accordingly, the amounts owed by group undertakings of the BBI Group Holding Limited Group have been classified as debtors due after more than one year.

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Due within one year				
Trade debtors	2,230	1,994	1,229	1,325
Amounts owed by group undertakings	351	116	356	-
Other debtors	20	274	19	7
Deferred taxation (note 18)	27	29	27	29
Prepayments and accrued income	43	137	18	109
	<u>2,671</u>	<u>2,550</u>	<u>1,649</u>	<u>1,470</u>

Trade debtors are stated after provisions for impairment of £39,117 (2019: £Nil).

BBI HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

18. Deferred taxation

Group

	2020 £000	2019 £000
At 1 January	29	(83)
Credited to the profit or loss	(2)	(10)
Adjustments in respect of prior years	-	122
At 31 December	27	29

Company

	2020 £000	2019 £000
At 1 January	29	43
Credited to the profit or loss	(2)	10
Adjustments in respect of prior years	-	(24)
At 31 December	27	29

The deferred tax balance is made up as follows:

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Fixed asset timing differences	27	29	27	29
Comprising:				
Asset - due within one year	27	29	27	29

19. Cash at bank and in hand

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Cash at bank and in hand	1,362	1,062	456	576

BBI HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

20. Creditors: amounts falling due within one year

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Trade creditors	1,146	892	598	533
Amounts owed to group undertakings	10,275	10,920	3,256	3,192
Taxation and social security	109	26	29	-
Accruals and deferred income	330	330	197	201
	11,860	12,168	4,080	3,926

Amounts owed to group companies are unsecured, interest free and repayable on demand.

21. Financial instruments

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Financial assets				
Financial assets measured at fair value through profit or loss	-	-	-	-
Financial assets that are debt instruments measured at amortised cost	2,601	2,384	4,210	3,678
Financial liabilities				
Financial liabilities measured at amortised cost	(11,751)	(12,142)	(4,051)	(3,926)

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors and accruals.

BBI HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

22. Called up share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1 (2019: 1) Ordinary share of £1 (2019: £1)	1	1

23. Reserves

Profit & loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Company or the Group.

24. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge amounted to £57,000 (2019: £52,000).

25. Commitments under operating leases

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

	Group 2020 £000	Group 2019 £000
Not later than 1 year	5	16
Later than 1 year and not later than 5 years	10	6
	15	22

26. Ultimate parent undertaking and controlling party

The immediate parent company is BBI Diagnostics Group Limited, which is incorporated in England and Wales. BBI Diagnostics Group Limited is ultimately owned and controlled by BBI Group Holdco Limited, a company incorporated in England and Wales.

BBI Group Holdco Limited is the largest company in the Group which prepares consolidated financial statements. Copies of the consolidated financial statements can be obtained from the Company at Berry Smith LLP, Haywood House, Dumfries Place, Cardiff, CF10 3GA.

BBI Group Holdco Limited is controlled by Exponent Private Equity Partners GP, IV, LLP. Exponent Private Equity Partners GP, IV, LLP, is a collection of investors and no one investor has beneficial ownership of more than 15%.