

Registered number: 08368484

BBI RESOURCES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019



BBI RESOURCES LIMITED

CONTENTS

	Page(s)
Company Information	1
Strategic Report	2
Directors' Report	3 - 5
Independent Auditors' Report to the Members of BBI Resources Limited	6 - 7
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 - 19

BBI RESOURCES LIMITED

COMPANY INFORMATION

DIRECTORS

R G A Couzens
M P Gualano
A E Peterson

REGISTERED NUMBER

08368484

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 RESOURCES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the Strategic Report of BBI Resources Limited (the "Company") for the year ended 31 December 2019.

BUSINESS REVIEW

All UK based employees of the BBI Group Holding Limited group ("BBI Group") with the exception of certain directors are held within the Company and the Company recharges the cost of staff to the other BBI Group companies.

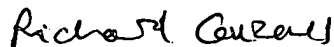
PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk to the Company is regarding the non-compliance with employment law and regulations. To mitigate this risk the Company ensures that it keeps up to date with all relevant employment laws and complies with their requirements.

FINANCIAL KEY PERFORMANCE INDICATORS

As the Company provides the staff resourcing for the BBI Group and is intended to breakeven each year, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company.

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



R G A Couzens
Director

Date: 9 July 2020

BBI RESOURCES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and the audited financial statements of BBI Resources Limited (the "Company") for the year ended 31 December 2019.

Principal activity

All UK based employees of the BBI Group are held within the Company with the exception of certain directors within the BBI Group. The Company administers the staffing requirements of the BBI Group.

Results and dividends

The loss for the financial year amounted to £57,000 (2018: £53,000).

The directors do not recommend the payment of a dividend (2018: £Nil).

Directors

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

R G A Couzens
M P Gualano
A E Peterson

Going concern

The Company has net liabilities of £208,000 (2018: £151,000) and the directors have prepared the financial statements on a going concern basis as the Company has received confirmation from BBI Group Holding Limited of its intention to continue its financial support for a period of at least 12 months from the date of approval of these financial statements.

Future developments

The Company will continue to administer the staffing requirements for the BBI Group for the foreseeable future.

Events after the end of the reporting period

On 3 June 2020, the BBI Group has successfully secured a full refinancing of all its existing bank facilities. The new bank facilities comprise of a £115m Unitranche multicurrency facility, a €20m Acquisition/Capex facility and a £10m Super Senior Revolving Facility. The new facility allows for the full refinance of the Group's existing investments and to fund the acquisition of Diarect AG. on 3 June 2020. The new bank facility is secured against specified assets within the Group and expires in 2027.

On 3 June 2020, Vector Bidco Limited, a wholly owned subsidiary of Vector Topco Limited, acquired 100% of the share capital of BBI Group Holding Limited. Vector Topco Limited is controlled by Exponent Private Equity Partners IV, LP.

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 to service our customers' demand. All our sites have continued to operate as an approved critical supplier in each country of operation.

BBI RESOURCES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Financial risk management

The Company's activities expose it to credit risk:

Credit risk

The Company's financial assets are bank balances and cash. The credit risk on bank balances is limited because the counterparties are banks with high credit ratings assigned by appropriate credit-rating agencies.

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 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 the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing 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 company will continue in business.

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

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

Directors' confirmations

In 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 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 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 RESOURCES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

Richard Couzens

R G A Couzens
Director

Date: *9 July 2020*

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BBI RESOURCES LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, BBI Resources Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss 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: the Balance Sheet as at 31 December 2019; the Statement of Comprehensive Income, and the Statement of Changes in Equity 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 Company 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

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

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

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.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

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

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 2019 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 Company and its 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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.

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

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 received 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 financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Katharine Finn (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff
Date: 10 July 2020

BBI RESOURCES LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £000	2018 £000
Turnover	4	14,243	17,097
Cost of sales		(14,243)	(17,097)
		<u>-</u>	<u>-</u>
Gross result			
Administrative expenses		(48)	(43)
		<u>(48)</u>	<u>(43)</u>
Operating loss			
Tax on loss	8	(9)	(10)
		<u>(9)</u>	<u>(10)</u>
Loss for the financial year		<u>(57)</u>	<u>(53)</u>
		<u>(57)</u>	<u>(53)</u>
Total comprehensive expense for the financial year		<u>(57)</u>	<u>(53)</u>

The notes on pages 11 to 19 form part of these financial statements.

BBI RESOURCES LIMITED
REGISTERED NUMBER: 08368484

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Current assets			
Debtors	9	121	420
Cash at bank and in hand	10	203	92
		<u>324</u>	<u>512</u>
Creditors: amounts falling due within one year	11	(532)	(663)
Total assets less current liabilities		<u>(208)</u>	<u>(151)</u>
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account	14	(208)	(151)
Total shareholders' deficit		<u>(208)</u>	<u>(151)</u>

The financial statements on pages 8 to 19 were approved and authorised for issue by the board and were signed on its behalf by:

Richard Couzens

R G A Couzens
 Director

Date: 9 July 2020

The notes on pages 11 to 19 form part of these financial statements.

BBI RESOURCES LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up Share capital £000	Profit and loss account £000	Total shareholders' deficit £000
At 1 January 2018	-	(98)	(98)
Comprehensive expense for the financial year			
Loss for the financial year	-	(53)	(53)
Total comprehensive expense for the financial year	-	(53)	(53)
At 31 December 2018 and 1 January 2019	-	(151)	(151)
Comprehensive expense for the financial year			
Loss for the financial year	-	(57)	(57)
Total comprehensive expense for the financial year	-	(57)	(57)
At 31 December 2019	-	(208)	(208)

The notes on pages 11 to 19 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. GENERAL INFORMATION

BBI Resources Limited (the "Company") administers the staffing requirements of the BBI group. 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.

All UK based employees of the BBI Group are held within the Company with the exception of certain directors within the BBI Group. The Company administers the staffing requirements of the BBI Group.

2. ACCOUNTING POLICIES

2.1 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 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 management to exercise judgement in applying the Company's accounting policies (see note 3).

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

2.2 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.

2.3 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of BBI Group Holding Limited as at 31 December 2019 and these financial statements may be obtained from C/O Berry Smith LLP Haywood House, Dumfries Place, Cardiff, CF10 3GA.

2.4 GOING CONCERN

The Company has net liabilities of £208,000 (2018: £151,000) and the directors have prepared the financial statements on a going concern basis as the Company has received confirmation from BBI Group Holding Limited of its intention to continue its financial support for a period of at least 12 months from the date of approval of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. ACCOUNTING POLICIES (CONTINUED)

2.5 TURNOVER

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company 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.

Turnover comprises revenue recognised by the Company in respect of salary recharges to other Companies within the BBI Group.

2.6 CASH AT BANK AND IN HAND

Cash at bank and in hand 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.

2.7 FINANCIAL INSTRUMENTS

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

(i) Financial assets

Basic financial assets, including other debtors, amounts owed by group undertakings 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. ACCOUNTING POLICIES (CONTINUED)

2.7 FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial liabilities

Basic financial liabilities, including 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.

2.8 FINANCE COSTS

Finance costs are charged to the 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. ACCOUNTING POLICIES (CONTINUED)

2.9 EMPLOYEE BENEFITS

The Company 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 plans

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company 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 Company operates a discretionary bonus plan for employees. An expense is recognised in the Statement of Comprehensive Income when the Company 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.

2.10 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

3. 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 directors consider that there are no significant judgements or key sources of estimation uncertainty in the preparation of these financial statements.

4. TURNOVER

The whole of the turnover is attributable to the principal activity of the Company.

All turnover arose within the United Kingdom.

5. AUDITORS' REMUNERATION

	2019 £000	2018 £000
Fees payable to the Company's auditors for the audit of the Company's annual accounts	7	6
FEES PAYABLE TO THE COMPANY'S AUDITORS IN RESPECT OF:		
Accounting related services	2	2
Tax compliance services	4	3
	<u>6</u>	<u>5</u>

6. EMPLOYEES

Staff costs were as follows:

	2019 £000	2018 £000
Wages and salaries	12,439	15,000
Social security costs	1,217	1,497
Other pension costs	587	601
	<u>14,243</u>	<u>17,098</u>

All staff costs relate to staff contracted by BBI Resources Limited, BBI Group Holding Limited or BBI Acquisition Limited, but are utilised by other Companies within the BBI Group. As such, costs associated with relevant staff are recharged to the relevant Company.

As none of the above staff costs relate to the activities of BBI Resources Limited, no staff numbers have been disclosed. The staff numbers are disclosed within the entities where the individuals provide services.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. DIRECTORS' REMUNERATION

The directors of the Company hold employment contracts with other group Companies.

The total emoluments of the directors are disclosed within Eagle SPV 3 Limited accounts. Whilst this Company recognises the remuneration for the directors who are contracted by this Company, 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.

8. TAX ON LOSS

	2019	2018
	£000	£000
CORPORATION TAX		
Current tax on loss for the financial year	-	-
Adjustments in respect of prior years	-	10
TOTAL CURRENT TAX	<u>-</u>	<u>10</u>
DEFERRED TAX		
Origination and reversal of timing differences	10	-
Effect of changes in tax rates	(1)	-
TOTAL DEFERRED TAX	<u>9</u>	<u>-</u>
TOTAL TAX	<u><u>9</u></u>	<u><u>10</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. TAX ON LOSS (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%). The differences are explained below:

	2019 £000	2018 £000
Loss before taxation	(48)	(43)
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(9)	(8)
EFFECTS OF:		
Adjustments in respect of prior years	-	10
Tax rate changes	(1)	-
Group relief	19	8
TOTAL TAX CHARGE FOR THE FINANCIAL YEAR	9	10

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Changes to the UK Corporation tax rates were substantively enacted on 7 September 2016 to reduce the main rate of Corporation tax to 17% from 1 April 2020 and deferred tax balances at the Balance Sheet date have been measured using this rate.

Subsequent to the Balance Sheet date, a further change was substantively enacted on 17 March 2020 to maintain the rate at 19%. Had this been substantively enacted at the Balance Sheet date, deferred tax assets would have increased by £1,000.

9. DEBTORS

	2019 £000	2018 £000
Amounts owed by group undertakings	49	381
Other debtors	1	-
Prepayments and accrued income	64	23
Deferred taxation (note 12)	7	16
	121	420

Amounts owed by group undertakings are unsecured, do not attract interest and are repayable on demand.

BBI RESOURCES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****10. CASH AT BANK AND IN HAND**

	2019	2018
	£000	£000
Cash at bank and in hand	203	92

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£000	£000
Trade creditors	6	2
Amounts owed to group undertakings	44	188
Taxation and social security	470	458
Accruals and deferred income	12	15
	532	663

Amounts owed to group undertakings are unsecured, do not attract interest and are repayable on demand.

12. DEFERRED TAXATION

	2019
	£000
At beginning of year	16
Charged to the profit or loss	(9)
AT END OF YEAR	7

The deferred tax asset is made up as follows:

	2019	2018
	£000	£000
Short term timing differences	7	16

13. CALLED UP SHARE CAPITAL

	2019	2018
	£	£
Allotted, called up and fully paid		
1 (2018: 1) Ordinary share of £1 (2018: £1)	1	1

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. RESERVES

Profit and loss account

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

15. 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 £587,000 (2018: £601,000).

16. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 3 June 2020, the BBI Group has successfully secured a full refinancing of all its existing bank facilities. The new bank facilities comprise of a £115m Unitranche multicurrency facility, a €20m Acquisition/Capex facility and a £10m Super Senior Revolving Facility. The new facility allows for the full refinance of the Group's existing investments and to fund the acquisition of Diarect AG. on 3 June 2020. The new bank facility is secured against specified assets within the Group and expires in 2027.

On 3 June 2020, Vector Bidco Limited, a wholly owned subsidiary of Vector Topco Limited, acquired 100% of the share capital of BBI Group Holding Limited. Vector Topco Limited is controlled by Exponent Private Equity Partners IV, LP.

17. 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 Holding Limited, a Company incorporated in England and Wales.

Eagle SPV 3 Limited is the smallest Company in the group which prepares consolidated financial statements. Copies of the consolidated financial statements can be obtained from the Company at C/O Berry Smith LLP Haywood House, Dumfries Place, Cardiff, CF10 3GA.

BBI Group Holding 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 C/O Berry Smith LLP Haywood House, Dumfries Place, Cardiff, CF10 3GA.

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