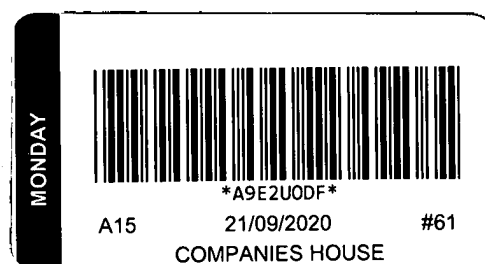


Registered number: 09653328

BBI ACQUISITION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



BBI ACQUISITION LIMITED

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BBI ACQUISITION LIMITED

COMPANY INFORMATION

Directors	A E Peterson M P Gualano R G A Couzens
Registered number	09653328
Registered office	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 ACQUISITION LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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

BUSINESS REVIEW

BBI Acquisition Limited (the "Company") is an intermediate holding company in the BBI Group Holding Limited group.

The directors manage the various businesses of the BBI Group Holding Limited Group (the "Group") on a group basis, rather than an individual company basis. As such, a separate business review for the Company has not been prepared, but a group review can be found in the Strategic Report contained in the Annual Report of BBI Group Holding Limited. Neither the Strategic Report nor the Annual Report of BBI Group Holding Limited forms part of this report.

PRINCIPAL RISKS AND UNCERTAINTIES

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of BBI Group Holding Limited, which include those of the Company, are discussed in the Strategic Report contained in the Annual Report of BBI Group Holding Limited. Neither the Strategic Report nor the Annual Report of BBI Group Holding Limited forms part of this report.

FINANCIAL KEY PERFORMANCE INDICATORS

The directors of BBI Group Holding Limited manage the Group's operations on a group-wide basis. For this reason, 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 business of the Company.

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



A E Peterson

Director

Date: 28/04/2020

BBI ACQUISITION LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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

Results and dividends

The loss for the financial year amounted to £9,534,000 (2018: £21,313,000).

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

Directors

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

A E Peterson
M P Gualano
R G A Couzens

Future developments

The directors manage the various businesses of the BBI Group Holding Limited Group as a group, rather than on an individual company basis. Future developments of the BBI Group Holding Limited group, which includes the Company, are discussed in the Directors' Report contained in the Annual Report of BBI Group Holding Limited.

Going concern

The Company has net liabilities of £55,979,000 (2018: £45,853,000). The Company is a subsidiary of BBI Group Holding Limited (the "Group") and the Group is financed through bank and shareholder debt and at an operating level is cash generative. The Group's forecasts, which consider the impact of Covid-19, show that it is expected to continue to be profitable at an EBITDA level and cash generative at an operating activity level for the foreseeable future and that the Group has the ability to remain within its committed lending facilities. Therefore the directors have prepared the financial statements on a going concern basis.

BBI ACQUISITION LIMITED

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

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;
- make judgements and accounting estimates that are reasonable and prudent;
- 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; 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 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.

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.

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 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.

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



A E Peterson
Director

Date: 28/04/2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BBI ACQUISITION LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, BBI Acquisition 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.

BBI ACQUISITION LIMITED

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

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.

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.

BBI ACQUISITION LIMITED

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

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.

KE KM

Katharine Finn (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff
Date: 28 April 2020

BBI ACQUISITION LIMITED

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

	Note	2019 £000	2018 £000
Administrative expenses		(166)	(90)
Exceptional items	4	(318)	(704)
Operating loss	5	(484)	(794)
Finance income	9	5,224	2,742
Finance costs	10	(14,274)	(17,926)
Loss before taxation		(9,534)	(15,978)
Tax on loss	11	-	(5,335)
Loss for the financial year		(9,534)	(21,313)
Other comprehensive (expense)/income for the financial year			
(Loss)/gain on interest rate swap derivatives		(592)	185
Other comprehensive (expense)/income for the financial year		(592)	185
Total comprehensive expense for the financial year		(10,126)	(21,128)

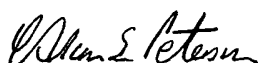
The notes on pages 11 to 24 form part of these financial statements.

BBI ACQUISITION LIMITED
REGISTERED NUMBER: 09653328

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Investments	12	109,759	109,759
Current assets			
Debtors: amounts falling due after more than one year	13	21,057	21,973
Debtors: amounts falling due within one year	13	5,061	3,881
		<u>26,118</u>	<u>25,854</u>
Creditors: amounts falling due within one year	14	(75)	(114)
Net current assets		<u>26,043</u>	<u>25,740</u>
Total assets less current liabilities		<u>135,802</u>	<u>135,499</u>
Creditors: amounts falling due after more than one year	15	(191,781)	(181,352)
Net liabilities		<u>(55,979)</u>	<u>(45,853)</u>
Capital and reserves			
Called up share capital	16	1	1
Share premium account	17	93	93
Profit and loss account	17	(56,073)	(45,947)
Total shareholders' deficit		<u>(55,979)</u>	<u>(45,853)</u>

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



A E Peterson
 Director

Date: 29/04/2020

The notes on pages 11 to 24 form part of these financial statements.

BBI ACQUISITION LIMITED

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

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total shareholders' deficit £000
At 1 January 2018	1	93	(24,819)	(24,725)
Comprehensive expense for the financial year	-	-	-	-
Loss for the financial year	-	-	(21,313)	(21,313)
Gain on interest rate swap derivatives	-	-	185	185
Other comprehensive income for the financial year	-	-	185	185
Total comprehensive expense for the financial year	-	-	(21,128)	(21,128)
At 31 December 2018 and 1 January 2019	1	93	(45,947)	(45,853)
Comprehensive expense for the financial year	-	-	-	-
Loss for the financial year	-	-	(9,534)	(9,534)
Loss on interest rate swap derivatives	-	-	(592)	(592)
Other comprehensive expense for the financial year	-	-	(592)	(592)
Total comprehensive expense for the financial year	-	-	(10,126)	(10,126)
At 31 December 2019	1	93	(56,073)	(55,979)

The notes on pages 11 to 24 form part of these financial statements.

BBI ACQUISITION LIMITED

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

1. GENERAL INFORMATION

BBI Acquisition Limited (the "Company") is an intermediate holding company in the BBI Group Holding Limited group.

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

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on going concern basis, under the historical cost convention, as modified by recognition of certain financial assets and liabilities measured at fair value, 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 CONSOLIDATION

The Company is a wholly owned subsidiary of BBI Group Holding Limited and is included in the consolidated financial statements of BBI Group Holding Limited which are publically available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

2.3 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.

2.4 EXEMPTIONS FOR QUALIFYING ENTITIES UNDER FRS 102

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 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 11.42, 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 Berry Smith LLP, Haywood House, Dumfries Place, Cardiff, CF10 3GA.

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

2. ACCOUNTING POLICIES (CONTINUED)

2.5 GOING CONCERN

The Company has net liabilities of £55,979,000 (2018: £45,853,000). The Company is a subsidiary of BBI Group Holding Limited (the "Group") and the Group is financed through bank and shareholder debt and at an operating level is cash generative. The Group's forecasts, which consider the impact of Covid-19, show that it is expected to continue to be profitable at an EBITDA level and cash generative at an operating activity level for the foreseeable future and that the Group has the ability to remain within its committed lending facilities. Therefore the directors have prepared the financial statements on a going concern basis.

2.6 INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

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 trade and 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, bank loans and amounts owed to group undertakings 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 payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. The costs are deducted from the liability recognised and will therefore be included in the calculation of amortised cost using the effective interest rate method. They will consequently be recognised in the Statement of Comprehensive Income over the life of the debt instrument.

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.

(iv) Hedging arrangements

The Company applies hedge accounting for transactions entered into to manage the cash flow exposures of borrowings. Interest rate swaps and caps are held to manage the interest rate exposures and are designated as cash flow hedges of floating rate borrowings.

Changes in the fair values of derivatives designated as cash flow hedges, and which are effective, are recognised directly in equity. Any ineffectiveness in the hedging relationship (being the excess of the cumulative change in fair value of the hedging instrument since inception of the hedge over the cumulative change in the fair value of the hedged item since inception of the hedge) is recognised in the income statement.

The gain or loss recognised in other comprehensive income is reclassified to the income statement when the hedge relationship ends. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised or the hedging instrument is terminated.

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.

2.9 FINANCE INCOME

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

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

2. ACCOUNTING POLICIES (CONTINUED)

2.10 CURRENT AND DEFERRED TAXATION

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;
- 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 Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

2.11 EXCEPTIONAL ITEMS

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

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

2. ACCOUNTING POLICIES (CONTINUED)

2.12 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the 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 Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

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. EXCEPTIONAL ITEMS

	2019 £000	2018 £000
Redundancy costs and associated professional fees	318	-
Site restructuring costs	-	704
	318	704

BBI ACQUISITION LIMITED

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

5. OPERATING LOSS

The operating loss is stated after charging:

	2019 £000	2018 £000
Defined contribution pension cost	4	24

6. AUDITORS' REMUNERATION

	2019 £000	2018 £000
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	2	2

FEES PAYABLE TO THE COMPANY'S AUDITORS IN RESPECT OF:

Tax compliance services	2	2
All other services	2	2

7. EMPLOYEES

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

	2019 £000	2018 £000
Wages and salaries	167	484
Social security costs	18	60
Other pension costs	4	24
	189	568

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

	2019 Number	2018 Number
Directors	3	3

Staff costs relate to costs recharged from BBI Resources Limited for staff who are contracted by this Company. 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 ACQUISITION LIMITED

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

8. DIRECTORS' REMUNERATION

The total emoluments of the directors are disclosed within Eagle SPV 3 Limited financial statements. Whilst this Company receives a recharge from BBI Resources Limited 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.

9. FINANCE INCOME

	2019 £000	2018 £000
Interest receivable from group companies	1,641	1,551
Exchange gains	3,583	1,191
	<u>5,224</u>	<u>2,742</u>

10. FINANCE COSTS

	2019 £000	2018 £000
Bank interest payable	6,274	6,160
Loans from group undertakings	6,457	5,783
Exchange losses on loans	550	4,990
Debt fee amortisation	993	993
	<u>14,274</u>	<u>17,926</u>

BBI ACQUISITION LIMITED

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

11. TAX ON LOSS

	2019 £000	2018 £000
CORPORATION TAX		
Current tax credit on loss for the year	-	-
Adjustments in respect of prior periods	-	4,277
TOTAL CURRENT TAX	<u>-</u>	<u>4,277</u>
DEFERRED TAX		
Origination and reversal of timing differences	-	491
Changes to tax rates	-	(52)
Adjustments in respect of prior periods	-	619
TOTAL DEFERRED TAX	<u>-</u>	<u>1,058</u>
TOTAL TAX	<u>-</u>	<u>5,335</u>

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	<u>(9,534)</u>	<u>(15,978)</u>
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(1,811)	(3,036)
EFFECTS OF:		
Expenses not deductible for tax purposes	685	989
Adjustments in respect of prior periods	-	4,896
Tax rate changes	-	(52)
Group relief	776	1,291
Deferred tax not provided	350	1,247
TOTAL TAX CHARGE FOR THE FINANCIAL YEAR	<u>-</u>	<u>5,335</u>

BBI ACQUISITION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****11. TAX ON LOSS (CONTINUED)****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%.

The Company has unrecognised deferred tax assets of £1,576,000 (2018: £913,000) relating to timing differences and £440,000 (2018: £440,000) relating to losses.

12. INVESTMENTS

	Investments in subsidiary companies £000
Cost	
At 1 January 2019	109,759
At 31 December 2019	<u>109,759</u>

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
BBI Diagnostics Group Limited*	c/o Berry Smith LLP, Haywood House, Dumfries Place, Cardiff, CF10 3GA	Holding company	Ordinary	100%
BBI US Holding LLC*	The Corporation Trust Center, 1209 North Orange Street, Wilmington, Newcastle County, Delaware, 19801	Holding company	Ordinary	100%
BBI Detection Limited	c/o Berry Smith LLP, Haywood House, Dumfries Place, Cardiff, CF10 3GA	Manufacture of antibodies	Ordinary	100%
BBI Healthcare Limited	c/o Berry Smith LLP, Haywood House, Dumfries Place, Cardiff, CF10 3GA	Distributor of healthcare products	Ordinary	100%

BBI ACQUISITION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****12. INVESTMENTS (CONTINUED)****SUBSIDIARY UNDERTAKINGS (CONTINUED)**

Name	Registered office	Principal activity	Class of shares	Holding
BBI Resources Limited	c/o Berry Smith LLP, Haywood House, Dumfries Place, Cardiff, CF10 3GA	Business services	Ordinary	100%
BBI Solutions OEM Limited	c/o Berry Smith LLP, Haywood House, Dumfries Place, Cardiff, CF10 3GA	Manufacture and development of reagents and diagnostics test	Ordinary	100%
BBI Detection LLC (incorporated in USA)	2313 Vondron Road, Madison, WI 53718	Manufacture and development of reagents and diagnostics test	Ordinary	100%
British BioCell International Healthcare Holding AB (incorporated in Sweden)	Box 123, SE-646 22 Gnesta, Sweden	Holding company	Ordinary	100%
Kullgren Holding AB (incorporated in Sweden)	Agatan 4, Gnesta, 64630, Sweden	Holding company	Ordinary	100%
Rolf Kullgren AB (incorporated in Sweden)	Box 123, SE-646 22 Gnesta, Sweden	Manufacture of healthcare products	Ordinary	100%
BBI Enzymes (USA) Limited	c/o Berry Smith LLP, Haywood House, Dumfries Place, Cardiff, CF10 3GA	Distributor of reagents	Ordinary	100%
BBI Enzymes SA (Pty) Limited (incorporated in South Africa)	19 Packer Avenue, Goodwood, Western Cape, 7460 South Africa	Manufacture and development of reagents	Ordinary	100%
Vision Biotech Propriety Limited (incorporated in South Africa)	Unit 7, 7 Inyoni Road, Ndabeni, Cape Town, 7405, South Africa	Manufacture and research of rapid membrane basal assays	Ordinary	100%
Alchemy Laboratories Limited	8 Tom Mcdonald Avenue, Medipark, Dundee, DO2 1NH	Dormant	Ordinary	100%
BBI Enzymes (UK) Limited	c/o Berry Smith LLP, Haywood House, Dumfries Place, Cardiff, CF10 3GA	Dormant	Ordinary	100%

BBI ACQUISITION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****12. INVESTMENTS (CONTINUED)****SUBSIDIARY UNDERTAKINGS (CONTINUED)**

Name	Registered office	Principal activity	Class of shares	Holding
British Biocell International Limited	c/o Berry Smith LLP, Haywood House, Dumfries Place, Cardiff, CF10 3GA	Dormant	Ordinary	100%
Scipac Limited	c/o Berry Smith LLP, Haywood House, Dumfries Place, Cardiff, CF10 3GA	Dormant	Ordinary	100%
BBI Enzymes Limited	c/o Berry Smith LLP, Haywood House, Dumfries Place, Cardiff, CF10 3GA	Dormant	Ordinary	100%
Novarum DX Limited	c/o Berry Smith LLP, Haywood House, Dumfries Place, Cardiff, CF10 3GA	Mobile reader solutions	Ordinary	100%
BBI Group LLC	The Corporation Trust Center, 1209 North Orange Street, Wilmington, Newcastle County, Delaware, 19801	Holding company	Ordinary	100%
BBI Biotechnology (Shanghai) Co Ltd	Room 368, Part 302, No, 211 North Fute Road, China (Shanghai) Pilot Free Trade Zone	Manufacture of antibodies	Ordinary	100%
Maine Biotechnology Services	1037R, Forest Avenue, Portland, Maine, 04103, USA	Distributor of antibodies	Ordinary	100%

* held directly

BBI ACQUISITION LIMITED

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

13. DEBTORS

	2019 £000	2018 £000
DUE AFTER MORE THAN ONE YEAR		
Amounts owed by group undertakings	21,057	21,973

Included within amounts owed by group undertakings is an intercompany loan which is repayable on 30 March 2026. This is secured under an Intercreditor Agreement, bears interest from 7.25% - 8.00% and has an election to compound accrued interest annually.

	2019 £000	2018 £000
DUE WITHIN ONE YEAR		
Amounts owed by group undertakings	5,056	3,286
Other debtors	5	6
Prepayments and accrued income	-	3
Financial instruments	-	586
	5,061	3,881

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £000	2018 £000
Trade creditors	12	67
Accruals and deferred income	56	47
Financial instruments	7	-
	75	114

Derivative financial instruments - Interest rate swaps

The Company held interest rate derivatives to fix and/or limit future interest cost exposure on bank loans. This consisted of an interest rate swap with 0.75% floor buy back in US Dollars and interest rate cap in Euros with an upfront premium. The swap was based on a current principal amount of \$38,250,000, equating to approximately 75% of the principal amount of the Company's US Dollar bank loans at 31 December 2018. The maturity of the swap has been extended and now expires in 2021. The cap is based on a current principal amount of €18,592k, equating to approximately 75% of the principal amount of the Company's Euro bank loans at 31 December 2018, and matured in 2019.

The fair value of the interest rate swap is a liability of £7,000 (2018: asset of £582,000) and for the interest rate cap is £Nil (2018: asset of £4,000).

Cash flows on the derivatives are paid quarterly until 2020/2021. During 2019, a hedging loss of £592,000 (2018: gain of £185,000) was recognised in other comprehensive income for changes in the fair value of the derivatives.

BBI ACQUISITION LIMITED

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

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 £000	2018 £000
Bank loans	71,120	72,577
Amounts owed to group undertakings	120,661	108,775
	<u>191,781</u>	<u>181,352</u>

The Group has bank loan facilities made up of three term loans and one revolving loan. The loans are secured against the assets of all companies within the group with the exception of BBI Group Holding Limited, Eagle SPV 2 Limited and BBI Enzymes SA (Pty) Limited. The loans charge interest at a floating rate with a margin of 7% in addition to various base lending rates. All loans are repayable by 17 November 2021.

Bank loans of £Nil (2018: £Nil) are repayable after more than five years. The bank loans are disclosed net of capitalised debt fees of £820,000 (2018: £1,813,000).

16. CALLED UP SHARE CAPITAL

	2019 £000	2018 £000
SHARES CLASSIFIED AS EQUITY		
Allotted, called up and fully paid		
93,801 (2018: 93,801) Ordinary shares of £0.01 (2018: £0.01) each	<u>1</u>	<u>1</u>

17. RESERVES

Share premium account

The share premium account represents consideration received in respect of the issuance of share capital in excess of the nominal value of that share capital, less any costs directly incurred in connection with the issue.

Profit and loss account

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

18. 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 £4,000 (2018: £24,000).

BBI ACQUISITION LIMITED

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

19. RELATED PARTY TRANSACTIONS

During the year the Company paid consultancy fees of £100k (2018: £100k) to Force1invest Limited, £127k (2018: £120k) to Empresa GmbH and £100k (2018: £100k) to Peterson Consultancy Services Limited, all companies owned by directors of the BBI Group. At the 31 December 2019, £8k (2018: £8k) remained outstanding to Force1invest Limited, £31k (2018: £31k) remained outstanding to Empresa GmbH and £10k (2018: £10k) remained outstanding to Peterson Consultancy Services Limited.

20. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company is Eagle SPV 3 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 Secretary 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 Secretary at C/O Berry Smith LLP, Haywood House, Dumfries Place, Cardiff, CF10 3GA.

BBI Group Holding Limited is controlled by Exponent Private Equity Partners III, LP, the general partner of which is Exponent Private Equity (Holdings) LLP. Exponent Private Equity Partners III, LP, is a collection of c30-40 investors and no one investor has beneficial ownership of more than 15%.