

FiberLean Technologies Limited
Annual Report and Consolidated Financial Statements
Year Ended 31 December 2020

Registration number: 10021333

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FiberLean Technologies Limited

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FiberLean Technologies Limited

Company Information

Directors

Dr T F Staehrfeldt
Mr O P Pirotte
Mr F Berthier-Raymond
Ms I A Stasiewicz
Mr E de Landerset
Mr D R Skuse
Mr D T Ingle

Registered office

Par Moor Centre
Par Moor Road
Par
Cornwall
PL24 2SQ

Auditors

PKF Francis Clark
Statutory Auditor
Lowin House
Tregolls Road
Truro
Cornwall
TR1 2NA

FiberLean Technologies Limited

Strategic Report

Year Ended 31 December 2020

The directors present their strategic report for the year ended 31 December 2020.

Principal activity

The principal activity of the Group and company is the research and development of the product Micro-Fibrillated Cellulose.

Fair review of the business

The board of FiberLean Technologies Limited is ultimately responsible to its shareholders. Performance is regularly monitored and reported to shareholders on a monthly basis.

The Group's primary purpose is the research and development of micro-fibrillated cellulose ("MFC"). The nature of its current activities and stage of the business means its primary performance measures is not focussed on immediate profit or loss values. The Group has again reported losses in 2020, though a reduction in the losses can be seen. The position must be seen in context of the advancements towards mass commercialisation of MFC and ultimate long-term shareholder value.

An additional £12.05 million of shareholder loan capital was injected into the Group during 2020, reflecting the continued shareholder support and confidence in the business to deliver its aims. The need for further capital is essential until the Group is profitable enough to generate its own capital.

A total of £2.64 million was spent on a range of exciting capital expenditure programmes during the year. The coronavirus pandemic meant certain project activities were limited or postponed. The lower than planned capital expenditure does not denote that the intended development activities were considered less valuable or viable longer term.

Principal risks and uncertainties

The Group is currently reliant upon parent company (shareholder) capital to continue its activities. The main operational risks to which the organisation is exposed are centred around the potential of FiberLean MFC applications and ultimate market demand. Further discoveries in other material technologies may lead to the development of substitute materials that compete or limit the market for FiberLean MFC.

The existence and success in obtaining a range of core product patents covering FiberLean does not necessarily guarantee the value of them will be maintained. Protecting intellectual property in some parts of the world can be challenging. Other companies may threaten advancement by attempting legal challenges.

The Group is mindful of its micro and macro environment. There are notable potential and economic and political factors following Brexit and the Coronavirus outbreak that could still impact operations, costs and revenues for the coming year.

Whilst the cellulosic materials may be sustainable and relatively abundant, the ability to continue trialling and ultimately producing MFC is dependent on several key factors. This includes a readily affordable supply of the right mix of all materials to the plant, energy, specialist plant and labour.

The Group is concerned about rapid changing and new potential threats. Mindful of the marked increase threat of cyberattacks in 2020, defences were improved in 2020, however methods used by potential attackers are likely to become even more sophisticated.

FiberLean Technologies Limited

Strategic Report

Year Ended 31 December 2020

Approved by the Board on 15 March 2021 and signed on its behalf by:



.....
Mr E de Landerset
Director

FiberLean Technologies Limited

Directors' Report

Year Ended 31 December 2020

The directors present their report and the consolidated financial statements for the year ended 31 December 2020.

Directors of the group

The directors who held office during the year were as follows:

Dr T Gliese (resigned 9 March 2021)

Mr O Hautin (resigned 23 July 2020)

Dr T F Staehrfeldt (resigned 15 March 2021)

Mr O J M P Ghyssens (appointed 1 January 2020 and resigned 20 January 2021)

Mr O P Pirotte (appointed 23 July 2020 and resigned 15 March 2021)

The following directors were appointed after the year end:

Mr F Berthier-Raymond (appointed 20 January 2021 and resigned 15 March 2021)

Ms I A Stasiewicz (appointed 9 March 2021 and resigned 15 March 2021)

Mr E de Landerset (appointed 15 March 2021)

Mr D R Skuse (appointed 15 March 2021)

Mr D T Ingle (appointed 15 March 2021)

Financial instruments

Objectives and policies

FiberLean Technologies Limited has a risk management process actively overseen and regularly reviewed by the board. This involves identifying every type of risk that the Group faces, weighing up the impact against the likelihood of occurrence and then implementing risk mitigation or management strategies.

FiberLean Technologies Limited

Directors' Report

Year Ended 31 December 2020

Price risk, credit risk, liquidity risk and cash flow risk

Cash flow risk

The Group sets realistic budgets with consideration of all associated cash flow timings. The current and future cash positions are actively monitored in order to identify and alert senior management to any risks. Realistic payment terms are agreed with suppliers. As set out in the going concern paragraph below, the acquiring group will need to provide the necessary funding in the medium-term to support the planned long-term development of the Group.

Price risk

Despite a recent shock to the economic environment, the Group considers demand for FiberLean to remain strong.

Credit risk

Credit risk is the exposure generated by the potential default of third parties in fulfilling their obligations. Credit risk is considered low, principal trading is not with third parties.

Currency risk

The Group faces currency risk on its currency transaction flows with its suppliers. It mitigates the risk by offsetting balances and natural hedging where possible. Contracts in less stable currencies are avoided where possible.

Material supply risks

Supply price risk is partially mitigated by customers either supplying raw materials or clear agreements that ensure the key variable costs are covered. Where appropriate the Group will seek to adopt trading models that minimise exposure to extreme price fluctuations and adopt strategies such as hedging when operating in hyperinflationary environments.

Where possible FiberLean will enter into contracts that give certainty over price. For example, some key contracts limit price rises to prevailing rates of inflation.

FiberLean Technologies Limited

Directors' Report

Year Ended 31 December 2020

Going concern

The directors acknowledge the Group's net current asset position at 31 December 2020 of £1,603,731 (2019: net current liabilities of £621,918) and its loss after tax for the year then ended of £11,011,915 (2019: £11,451,845). This position is due, in part, to there being surplus working capital generated, with the pandemic leading to lower than planned expenditure. At the end of 2019 there were notably higher amounts owing to associates at the balance sheet date. The Group is in a net liabilities position at 31 December 2020 of £8,397,747 (2019: net assets of £2,614,168).

Financial projections have illustrated that a longer term solution to funding the business was needed to support its growth through the next phase.

In February 2021, the Group was recapitalised by the previous shareholders, Imerys S.A. and Omya International AG. FiberLean Technologies Limited issued a further 47,607,640 £1 shares to these JV partners. The existing debt of £48,957,640 was then fully repaid by the Group to these lenders.

On 15 March 2021, one hundred percent of FiberLean Technology Limited shares were acquired by Sechste Werhahn Projekte GmbH, registered address Königstraße 1, 41460 Neuss, Germany. Having purchased the company, Sechste Werhahn Projekte GmbH formally registered a change of name to FiberLean Technologies GmbH.

The change in ownership and new capital enables the Group to realise its full potential, ensuring the long term sustainability of the Group. The new owner is committed to supporting the business and the projected growth by injecting the funds required and continuing to invest in the Group as required.

Well-developed plans have been made to move the Group to profitable cash generation. The demands for the underlying developed assets look to remain strong and the environmental factors generally favourable over the long term. Accordingly, the accounts have been prepared on a going concern basis.

Impact of Coronavirus

The Coronavirus pandemic impacted planned activities during 2020 and is expected to continue to restrict certain activities in 2021. Technical support for customer trials has been limited by various travel restrictions and some customer plants have had temporary shut downs.

Given the reduction in operational activities, the Group temporarily furloughed some of its UK workforce and accessed financial support from the UK government's Coronavirus Job Retention Scheme. As operating costs have been lower and shareholder support continued, no permanent redundancies or other drastic mitigation measures had been made at the time of signing the accounts.

Whilst the situation is still ongoing, the speed and success of the vaccine rollouts is expected to greatly reduce the negative business impacts that have been caused by the pandemic as 2021 progresses. Despite this, the business plans and financing support are considered sufficient to accommodate further pandemic disruption through to 2022.

FiberLean Technologies Limited

Directors' Report

Year Ended 31 December 2020

Disclosure of information to the auditor

Each director has taken 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 auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 15/3/2021 and signed on its behalf by:



Mr E de Landerset
Director

FiberLean Technologies Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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. They 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.

FiberLean Technologies Limited

Independent Auditor's Report to the Members of FiberLean Technologies Limited

Opinion

We have audited the financial statements of FiberLean Technologies Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020, which comprise the Consolidated Profit and Loss Account and Statement of Retained Earnings, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

FiberLean Technologies Limited

Independent Auditor's Report to the Members of FiberLean Technologies Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

FiberLean Technologies Limited

Independent Auditor's Report to the Members of FiberLean Technologies Limited

Auditor's responsibilities for the audit of the financial statements

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

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 acts by the Group which were contrary to applicable laws and regulations, including fraud.

We considered those laws and regulations that have a direct impact on the preparation of the financial statements, including, but not limited to the reporting framework (FRS 102 and Companies Act 2006) and the relevant tax compliance regulations in the UK. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty, including compliance with health and safety laws. 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 fraudulent financial reporting.

Audit procedures performed by the engagement team include, but were not limited to, discussions and inquiries with management of compliance with laws and regulations and review of correspondence and contracts with third parties. We also addressed the risk of management override of internal controls, including testing of journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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 is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

FiberLean Technologies Limited

Independent Auditor's Report to the Members of FiberLean Technologies Limited

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Duncan Leslie (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Lowin House
Tregolls Road
Truro
Cornwall
TR1 2NA

Date: 15.03.2021

FiberLean Technologies Limited

Consolidated Statement of Income and Retained Earnings

Year Ended 31 December 2020

	Note	2020 £	2019 £
Turnover	3	872,105	1,572,929
Other operating income	4	240,849	116,685
Raw materials and consumables used		(651,631)	(807,131)
Employee benefits expense		(3,695,804)	(3,752,027)
Depreciation and amortisation expense		(3,688,989)	(3,497,770)
Other expenses		<u>(2,829,585)</u>	<u>(3,943,104)</u>
Operating loss	5	(9,753,055)	(10,310,418)
Other interest receivable and similar income	8	30	8
Interest payable and similar charges	9	<u>(1,202,572)</u>	<u>(1,010,933)</u>
Loss before tax		(10,955,597)	(11,321,343)
Taxation	10	<u>(56,318)</u>	<u>(130,502)</u>
Loss for the year		<u>(11,011,915)</u>	<u>(11,451,845)</u>
Profit/(loss) attributable to:			
Owners of the company		(11,011,915)	(11,451,845)
Retained earnings brought forward		<u>(36,777,934)</u>	<u>(25,326,089)</u>
Retained earnings carried forward		<u>(47,789,849)</u>	<u>(36,777,934)</u>

The notes on pages 19 to 38 form an integral part of these financial statements.

FiberLean Technologies Limited

Consolidated Balance Sheet

31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	11	33,042,648	34,220,839
Tangible assets	12	<u>4,890,112</u>	<u>4,756,323</u>
		<u>37,932,760</u>	<u>38,977,162</u>
Current assets			
Stocks	14	337,937	295,493
Debtors	15	941,214	2,233,830
Cash at bank and in hand		<u>2,773,266</u>	<u>1,282,689</u>
		4,052,417	3,812,012
Creditors: Amounts falling due within one year	17	<u>(2,448,686)</u>	<u>(4,433,930)</u>
Net current assets/(liabilities)		<u>1,603,731</u>	<u>(621,918)</u>
Total assets less current liabilities		39,536,491	38,355,244
Creditors: Amounts falling due after more than one year	17	(47,552,640)	(35,412,246)
Provisions for liabilities	20	<u>(381,598)</u>	<u>(328,830)</u>
Net (liabilities)/assets		<u>(8,397,747)</u>	<u>2,614,168</u>
Capital and reserves			
Called up share capital	22	39,392,102	39,392,102
Profit and loss account		<u>(47,789,849)</u>	<u>(36,777,934)</u>
Equity attributable to owners of the company		<u>(8,397,747)</u>	<u>2,614,168</u>
Shareholders' (deficit)/funds		<u>(8,397,747)</u>	<u>2,614,168</u>

Approved and authorised by the Board on 15/3/2021 and signed on its behalf by:



.....
Mr E de Landerset
Director

Company Registration Number: 10021333

FiberLean Technologies Limited

Balance Sheet

31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	11	33,042,648	34,220,839
Tangible assets	12	4,881,148	4,756,323
Investments	13	17,646	5,039
		<u>37,941,442</u>	<u>38,982,201</u>
Current assets			
Stocks	14	337,937	295,493
Debtors	15	996,826	2,228,791
Cash at bank and in hand		2,748,447	1,282,689
		<u>4,083,210</u>	<u>3,806,973</u>
Creditors: Amounts falling due within one year	17	<u>(2,415,303)</u>	<u>(4,433,930)</u>
Net current assets/(liabilities)		<u>1,667,907</u>	<u>(626,957)</u>
Total assets less current liabilities		39,609,349	38,355,244
Creditors: Amounts falling due after more than one year	17	(47,552,640)	(35,412,246)
Provisions for liabilities	20	<u>(381,598)</u>	<u>(328,830)</u>
Net (liabilities)/assets		<u><u>(8,324,889)</u></u>	<u><u>2,614,168</u></u>
Capital and reserves			
Called up share capital	22	39,392,102	39,392,102
Profit and loss account		<u>(47,716,991)</u>	<u>(36,777,934)</u>
Shareholders' (deficit)/funds		<u><u>(8,324,889)</u></u>	<u><u>2,614,168</u></u>

The company made a loss after tax for the financial year of £10,939,057 (2019 - loss of £11,451,845).

Approved and authorised by the Board on 15/3/2021 and signed on its behalf by:



Mr E de Landerset
Director

Company Registration Number: 10021333

The notes on pages 19 to 38 form an integral part of these financial statements.

FiberLean Technologies Limited

Consolidated Statement of Changes in Equity

Year Ended 31 December 2020

	Share capital £	Profit and loss account £	Total £	Total equity £
At 1 January 2020	39,392,102	(36,777,934)	2,614,168	2,614,168
Loss for the year	-	(11,011,915)	(11,011,915)	(11,011,915)
Total comprehensive loss	-	(11,011,915)	(11,011,915)	(11,011,915)
At 31 December 2020	<u>39,392,102</u>	<u>(47,789,849)</u>	<u>(8,397,747)</u>	<u>(8,397,747)</u>

	Share capital £	Profit and loss account £	Total £	Total equity £
At 1 January 2019	39,392,102	(25,326,089)	14,066,013	14,066,013
Loss for the year	-	(11,451,845)	(11,451,845)	(11,451,845)
Total comprehensive loss	-	(11,451,845)	(11,451,845)	(11,451,845)
At 31 December 2019	<u>39,392,102</u>	<u>(36,777,934)</u>	<u>2,614,168</u>	<u>2,614,168</u>

The notes on pages 19 to 38 form an integral part of these financial statements.

FiberLean Technologies Limited

Statement of Changes in Equity

Year Ended 31 December 2020

	Share capital £	Profit and loss account £	Total £
At 1 January 2020	39,392,102	(36,777,934)	2,614,168
Loss for the year	-	(10,939,057)	(10,939,057)
Total comprehensive loss	-	(10,939,057)	(10,939,057)
At 31 December 2020	39,392,102	(47,716,991)	(8,324,889)

	Share capital £	Profit and loss account £	Total £
At 1 January 2019	39,392,102	(25,326,089)	14,066,013
Loss for the year	-	(11,451,845)	(11,451,845)
Total comprehensive loss	-	(11,451,845)	(11,451,845)
At 31 December 2019	39,392,102	(36,777,934)	2,614,168

The notes on pages 19 to 38 form an integral part of these financial statements.

FiberLean Technologies Limited

Consolidated Statement of Cash Flows

Year Ended 31 December 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Loss for the year		(11,011,915)	(11,451,845)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	3,688,989	3,497,770
Loss on disposal of tangible assets		1,187	-
Loss on disposal of intangible assets		96,961	49,428
Finance income	8	(30)	(8)
Finance costs	9	1,202,572	1,010,933
Income tax expense	10	56,318	130,502
		<u>(5,965,918)</u>	<u>(6,763,220)</u>
Working capital adjustments			
(Increase)/decrease in stocks	14	(42,444)	51,984
Decrease/(increase) in trade debtors	15	1,292,616	(915,323)
(Decrease)/increase in trade creditors	17	(1,970,764)	1,564,199
Increase in deferred income, including government grants		<u>72,335</u>	<u>59,229</u>
Cash generated from operations		(6,614,175)	(6,003,131)
Income taxes paid	10	<u>(7)</u>	<u>-</u>
Net cash flow from operating activities		<u>(6,614,182)</u>	<u>(6,003,131)</u>
Cash flows from investing activities			
Interest received		30	8
Acquisitions of tangible assets		(771,689)	(767,918)
Acquisition of intangible assets	11	<u>(1,971,010)</u>	<u>(2,681,614)</u>
Net cash flows from investing activities		<u>(2,742,669)</u>	<u>(3,449,524)</u>
Cash flows from financing activities			
Interest paid	9	(1,202,572)	(1,010,933)
Proceeds from other borrowing draw downs		<u>12,050,000</u>	<u>11,400,000</u>
Net cash flows from financing activities		<u>10,847,428</u>	<u>10,389,067</u>
Net increase in cash and cash equivalents		1,490,577	936,412
Cash and cash equivalents at 1 January		<u>1,282,689</u>	<u>346,277</u>
Cash and cash equivalents at 31 December		<u><u>2,773,266</u></u>	<u><u>1,282,689</u></u>

The notes on pages 19 to 38 form an integral part of these financial statements.

FiberLean Technologies Limited

Notes to the Financial Statements

Year Ended 31 December 2020

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Par Moor Centre
Par Moor Road
Par
Cornwall
PL24 2SQ
United Kingdom

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', from which there were no material departures.

Basis of preparation

These financial statements have been prepared using the historical cost convention except as disclosed in the accounting policies where certain items are shown at fair value.

The presentation currency is £ sterling.

Summary of disclosure exemptions

FRS 102 grants a qualifying entity exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements as the company is deemed to be a qualifying entity.

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a Statement of Cash Flows on the basis that the consolidated cash flow includes the company's cash flows in its own.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2020.

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

FiberLean Technologies Limited

Notes to the Financial Statements

Year Ended 31 December 2020

Going concern

The directors acknowledge the Group's net current asset position at 31 December 2020 of £1,603,731 (2019: net current liabilities of £621,918) and its loss after tax for the year then ended of £11,011,915 (2019: £11,451,845). This position is due, in part, to there being surplus working capital generated, with the pandemic leading to lower than planned expenditure. At the end of 2019 there were notably higher amounts owing to associates at the balance sheet date. The Group is in a net liabilities position at 31 December 2020 of £8,397,747 (2019: net assets of £2,614,168).

Financial projections have illustrated that a longer term solution to funding the business was needed to support its growth through the next phase.

In February 2021, the Group was recapitalised by the previous shareholders, Imerys S.A. and Omya International AG. FiberLean Technologies Limited issued a further 47,607,640 £1 shares to these JV partners. The existing debt of £48,957,640 was then fully repaid by the Group to these lenders.

On 15 March 2021, one hundred percent of FiberLean Technology Limited shares were acquired by Sechste Werhahn Projekte GmbH, registered address Königstraße 1, 41460 Neuss, Germany. Having purchased the company, Sechste Werhahn Projekte GmbH formally registered a change of name to FiberLean Technologies GmbH.

The change in ownership and new capital enables the Group to realise its full potential, ensuring the long term sustainability of the Group. The new owner is committed to supporting the business and the projected growth by injecting the funds required and continuing to invest in the Group as required.

Well-developed plans have been made to move the Group to profitable cash generation. The demands for the underlying developed assets look to remain strong and the environmental factors generally favourable over the long term. Accordingly, the accounts have been prepared on a going concern basis.

Impact of Coronavirus

The Coronavirus pandemic impacted planned activities during 2020 and is expected to continue to restrict certain activities in 2021. Technical support for customer trials has been limited by various travel restrictions and some customer plants have had temporary shut downs.

Given the reduction in operational activities, the Group temporarily furloughed some of its UK workforce and accessed financial support from the UK government's Coronavirus Job Retention Scheme. As operating costs have been lower and shareholder support continued, no permanent redundancies or other drastic mitigation measures had been made at the time of signing the accounts.

Whilst the situation is still ongoing, the speed and success of the vaccine rollouts is expected to greatly reduce the negative business impacts that have been caused by the pandemic as 2021 progresses. Despite this, the business plans and financing support are considered sufficient to accommodate further pandemic disruption through to 2022.

FiberLean Technologies Limited

Notes to the Financial Statements

Year Ended 31 December 2020

Judgements and key sources of estimation uncertainty

Impairment of intangible assets

Significant intangible assets are included on the balance sheet of £33,042,648 which mainly relate to development costs incurred from development and trialling of the MFC product. In assessing whether this asset is recoverable, management have considered the "recoverable amount" of this product and compared this against its carrying value. In making these assessments, management referred to a recent discounted cash flow business model under sensitised scenarios as well as commercially reviewing the development state of the product and its sale to potential customers. Having considered this report and other sources of information, the directors have satisfied themselves that the carrying value of the intangible is recoverable. The carrying amount is £33,042,648 (2019 -£34,220,839).

Revenue recognition

Service turnover arises from the recharge of engineering and trial services performed. It also includes licence fee income being the fixed price per tonne of FiberLean produced by the end user. Goods turnover arises upon the dispatch of goods to customers. All turnover is recognised on an accruals basis.

Turnover is shown net of value added tax, returns, rebates and discounts.

Government grants

Grants relating to the expenditure on tangible fixed assets are credited to deferred income and released to the profit and loss account at the same rate as the depreciation on the assets to which the grant relates. The amount shown in the balance sheet in respect of grants consists of total grants receivable to date, less the amounts credited to the profit and loss account. Grants of revenue nature are credited entirely to the profit and loss account so as to match them with the expenditure to which they relate.

Grants relating to the Coronavirus Job Retention Scheme are recognised in the period in which the associated wages and salaries expenditure is incurred.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

FiberLean Technologies Limited

Notes to the Financial Statements

Year Ended 31 December 2020

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold improvements	4% straight line
Furniture, fixtures and fittings and computer equipment	25% straight line
Plant and machinery	10% straight line
Motor vehicles	25% straight line
Assets under construction	Not depreciated

Intangible assets

Trademarks, patents and licences

Separately acquired patents are shown at historical cost. The cost of patents includes directly attributable incremental costs incurred in their acquisition.

Development costs

Research expenditure is written off as incurred. Product development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as an intangible asset and amortised over the period during which the company is expected to benefit as outlined below. Provision is made for any impairment.

Capitalised development costs transferred to the Group upon incorporation as part consideration are included at fair value, determined by the directors through independent, third party valuations. Subsequent additions to development costs are shown at cost.

Amortisation of development costs will commence when the products to which they relate have achieved commercial viability.

Software

Software is stated in the statement of financial position at historical cost, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

The cost of software includes attributable incremental costs incurred in their acquisition.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Trademarks, patents and licenses	Over the period of the patent life
Development costs	5 -14 years straight line
Software	4 years straight line

FiberLean Technologies Limited

Notes to the Financial Statements

Year Ended 31 December 2020

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Inventories

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

FiberLean Technologies Limited

Notes to the Financial Statements

Year Ended 31 December 2020

Financial instruments

Classification

The Group holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Other loans; and
- Cash and bank balances.

All financial instruments are classified as basic.

Recognition and measurement

The Group has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the Group becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the Group's obligations are discharged, expire or are cancelled.

Except for other loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Other loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2020 £	2019 £
Sale of goods	178,293	362,899
Rendering of services	693,812	1,210,030
	<u>872,105</u>	<u>1,572,929</u>

The analysis of the group's turnover for the year by market is as follows:

	2020 £	2019 £
UK	81,672	64,180
Europe	518,791	501,929
Rest of world	271,642	1,006,820
	<u>872,105</u>	<u>1,572,929</u>

FiberLean Technologies Limited

Notes to the Financial Statements

Year Ended 31 December 2020

4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2020 £	2019 £
Government grants	227,949	116,685
Miscellaneous other operating income	12,900	-
	<u>240,849</u>	<u>116,685</u>

5 Operating loss

Arrived at after charging/(crediting)

	2020 £	2019 £
Depreciation expense	636,749	617,994
Amortisation expense	3,052,240	2,879,776
Research and development cost	222,588	331,859
Foreign exchange losses	71,156	7,880
Loss on disposal of property, plant and equipment	1,187	-
(Profit)/loss on disposal of intangible fixed assets	<u>96,961</u>	<u>49,428</u>

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020 £	2019 £
Wages and salaries	3,119,367	3,202,491
Social security costs	193,761	182,822
Pension costs, defined contribution scheme	266,533	272,386
Other employee expense	<u>116,143</u>	<u>94,328</u>
	<u>3,695,804</u>	<u>3,752,027</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2020 No.	2019 No.
Production	56	57
Administration and support	<u>4</u>	<u>3</u>
	<u>60</u>	<u>60</u>

FiberLean Technologies Limited

Notes to the Financial Statements

Year Ended 31 December 2020

7 Auditor's remuneration

	2020 £	2019 £
Audit of these financial statements	<u>15,000</u>	<u>9,550</u>

8 Other interest receivable and similar income

	2020 £	2019 £
Other finance income	<u>30</u>	<u>8</u>

9 Interest payable and similar expenses

	2020 £	2019 £
Interest expense	1,193,257	1,010,933
Other interest payable	<u>9,315</u>	<u>-</u>
	<u>1,202,572</u>	<u>1,010,933</u>

10 Taxation

Tax charged/(credited) in the profit and loss account

	2020 £	2019 £
Foreign tax	3,550	-

Deferred taxation

Arising from origination and reversal of timing differences

	<u>52,768</u>	<u>130,502</u>
Tax expense in the income statement	<u>56,318</u>	<u>130,502</u>

FiberLean Technologies Limited

Notes to the Financial Statements

Year Ended 31 December 2020

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2019 - higher than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Loss before tax	<u>(10,955,597)</u>	<u>(11,321,343)</u>
Corporation tax at standard rate	(2,081,563)	(2,151,055)
Effect of revenues exempt from taxation	(10,298)	(22,172)
Effect of expense not deductible in determining taxable profit (tax loss)	49,979	10,907
Deferred tax expense/(credit) relating to changes in tax rates or laws	38,686	(15,353)
Increase from tax losses for which no deferred tax asset was recognised	2,030,744	1,134,908
Increase from effect of tax incentives	28,770	38,359
Tax increase arising from group relief	<u>-</u>	<u>1,134,908</u>
Total tax charge	<u>56,318</u>	<u>130,502</u>

Deferred tax

Group and company

Deferred tax assets and liabilities

2020	Liability £
Difference between accumulated depreciation and capital allowances	<u>381,598</u>
	Liability £
2019	
Difference between accumulated depreciation and capital allowances	<u>328,830</u>

There are £30,327,780 of unused tax losses (2019 - £19,740,887) for which no deferred tax asset is recognised in the Balance Sheet.

FiberLean Technologies Limited

Notes to the Financial Statements

Year Ended 31 December 2020

11 Intangible assets

Group

	Trademarks, patents and licenses £	Development costs £	Software £	Total £
Cost or valuation				
At 1 January 2020	2,169,087	39,041,364	1,185,818	42,396,269
Additions acquired separately	695,505	1,149,643	125,862	1,971,010
Disposals	(36,035)	(1,608)	(59,318)	(96,961)
Transfer	-	(39,485)	39,485	-
At 31 December 2020	<u>2,828,557</u>	<u>40,149,914</u>	<u>1,291,847</u>	<u>44,270,318</u>
Amortisation				
At 1 January 2020	96,224	7,630,274	448,932	8,175,430
Amortisation charge	<u>109,078</u>	<u>2,643,866</u>	<u>299,296</u>	<u>3,052,240</u>
At 31 December 2020	<u>205,302</u>	<u>10,274,140</u>	<u>748,228</u>	<u>11,227,670</u>
Carrying amount				
At 31 December 2020	<u>2,623,255</u>	<u>29,875,774</u>	<u>543,619</u>	<u>33,042,648</u>
At 31 December 2019	<u>2,072,863</u>	<u>31,411,090</u>	<u>736,886</u>	<u>34,220,839</u>

The aggregate amount of research and development expenditure recognised as an expense during the period is £222,588 (2019 - £331,859).

FiberLean Technologies Limited

Notes to the Financial Statements

Year Ended 31 December 2020

Company

	Trademarks, patents and licenses £	Development costs £	Software £	Total £
Cost or valuation				
At 1 January 2020	2,169,087	39,041,364	1,185,818	42,396,269
Additions acquired separately	695,505	1,149,643	125,862	1,971,010
Disposals	(36,035)	(1,608)	(59,318)	(96,961)
Transfer	-	(39,485)	39,485	-
At 31 December 2020	<u>2,828,557</u>	<u>40,149,914</u>	<u>1,291,847</u>	<u>44,270,318</u>
Amortisation				
At 1 January 2020	96,224	7,630,274	448,932	8,175,430
Amortisation charge	<u>109,078</u>	<u>2,643,866</u>	<u>299,296</u>	<u>3,052,240</u>
At 31 December 2020	<u>205,302</u>	<u>10,274,140</u>	<u>748,228</u>	<u>11,227,670</u>
Carrying amount				
At 31 December 2020	<u>2,623,255</u>	<u>29,875,774</u>	<u>543,619</u>	<u>33,042,648</u>
At 31 December 2019	<u>2,072,863</u>	<u>31,411,090</u>	<u>736,886</u>	<u>34,220,839</u>

The aggregate amount of research and development expenditure recognised as an expense during the period is £222,588 (2019 - £331,859).

FiberLean Technologies Limited

Notes to the Financial Statements

Year Ended 31 December 2020

12 Tangible assets

Group

	Land and buildings £	Furniture, fixtures, fittings and computer equipment £	Motor vehicles £	Assets under construction £	Plant and machinery £	Total £
Cost or valuation						
At 1 January 2020	437,587	219,088	-	504,444	5,561,891	6,723,010
Additions	17,937	20,827	4,439	545,919	182,567	771,689
Disposals	-	(2,775)	-	-	-	(2,775)
Transfers	-	-	-	(450,430)	450,430	-
At 31 December 2020	<u>455,524</u>	<u>237,140</u>	<u>4,439</u>	<u>599,933</u>	<u>6,194,888</u>	<u>7,491,924</u>
Depreciation						
At 1 January 2020	22,620	117,561	-	-	1,826,506	1,966,687
Charge for the year	17,338	53,331	580	-	565,500	636,749
Eliminated on disposal	-	(1,624)	-	-	-	(1,624)
At 31 December 2020	<u>39,958</u>	<u>169,268</u>	<u>580</u>	<u>-</u>	<u>2,392,006</u>	<u>2,601,812</u>
Carrying amount						
At 31 December 2020	<u>415,566</u>	<u>67,872</u>	<u>3,859</u>	<u>599,933</u>	<u>3,802,882</u>	<u>4,890,112</u>
At 31 December 2019	<u>414,967</u>	<u>101,527</u>	<u>-</u>	<u>504,444</u>	<u>3,735,385</u>	<u>4,756,323</u>

Included within the net book value of land and buildings above is £415,566 (2019 - £414,967) in respect of freehold land and buildings.

FiberLean Technologies Limited

Notes to the Financial Statements

Year Ended 31 December 2020

Company

	Land and buildings £	Furniture, fixtures, fittings and computer equipment £	Assets under construction £	Plant and machinery £	Total £
Cost or valuation					
At 1 January 2020	437,587	219,088	504,444	5,561,891	6,723,010
Additions	17,937	20,827	545,919	177,146	761,829
Disposals	-	(2,775)	-	-	(2,775)
Transfers	-	-	(450,430)	450,430	-
At 31 December 2020	<u>455,524</u>	<u>237,140</u>	<u>599,933</u>	<u>6,189,467</u>	<u>7,482,064</u>
Depreciation					
At 1 January 2020	22,620	117,561	-	1,826,506	1,966,687
Charge for the year	17,338	53,331	-	565,184	635,853
Eliminated on disposal	-	(1,624)	-	-	(1,624)
At 31 December 2020	<u>39,958</u>	<u>169,268</u>	<u>-</u>	<u>2,391,690</u>	<u>2,600,916</u>
Carrying amount					
At 31 December 2020	<u>415,566</u>	<u>67,872</u>	<u>599,933</u>	<u>3,797,777</u>	<u>4,881,148</u>
At 31 December 2019	<u>414,967</u>	<u>101,527</u>	<u>504,444</u>	<u>3,735,385</u>	<u>4,756,323</u>

Included within the net book value of land and buildings above is £415,566 (2019 - £414,967) in respect of freehold land and buildings.

FiberLean Technologies Limited

Notes to the Financial Statements

Year Ended 31 December 2020

13 Investments

Company

	2020 £	2019 £
Investments in subsidiaries	<u>17,646</u>	<u>5,039</u>
Subsidiaries		£
Cost or valuation		
At 1 January 2020		5,039
Additions		<u>12,607</u>
At 31 December 2020		<u>17,646</u>
Provision		
Carrying amount		
At 31 December 2020		<u>17,646</u>
At 31 December 2019		<u>5,039</u>

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2020	2019
Subsidiary undertakings				
FiberLean Technologies NA Inc.	850 New Burton Road Suite 201 Dover, Delaware 19904 United States of America	Ordinary shares	100%	100%
FiberLean Tecnologia E Solucoes Eireli	R Tupis, 221 Pauliceia Piracicaba SP CEP 13424-302 Brazil	Ordinary shares	100%	100%

FiberLean Technologies Limited

Notes to the Financial Statements

Year Ended 31 December 2020

Subsidiary undertakings

FiberLean Technologies NA Inc.

The principal activity of FiberLean Technologies NA Inc. is once established, an engineering related scientific and technical consulting activities and other research and experimental development on natural sciences and engineering.

FiberLean Tecnologia E Solucoes Eireli

The principal activity of FiberLean Tecnologia E Solucoes Eireli is an engineering related scientific and technical consulting activities and other research and experimental development on natural sciences and engineering.

14 Stocks

	2020 £	Group 2019 £	2020 £	Company 2019 £
Raw materials and consumables	296,297	245,675	296,297	245,675
Finished goods and goods for resale	41,640	49,818	41,640	49,818
	<u>337,937</u>	<u>295,493</u>	<u>337,937</u>	<u>295,493</u>

Group and company

Impairment of inventories

The amount of impairment loss included in profit or loss is £Nil (2019 - £Nil). The impairment loss is included in raw materials and consumables used.

15 Debtors

	Note	2020 £	Group 2019 £	2020 £	Company 2019 £
Trade debtors		22,869	21,856	22,869	21,856
Amounts due from associates	26	343,238	1,772,644	399,687	1,767,605
Other debtors		87,576	151,249	86,739	151,249
Prepayments		181,715	128,081	181,715	128,081
Accrued income		305,816	160,000	305,816	160,000
		<u>941,214</u>	<u>2,233,830</u>	<u>996,826</u>	<u>2,228,791</u>

FiberLean Technologies Limited

Notes to the Financial Statements

Year Ended 31 December 2020

16 Cash and cash equivalents

	2020 £	Group 2019 £	2020 £	Company 2019 £
Cash at bank	<u>2,773,266</u>	<u>1,282,689</u>	<u>2,748,453</u>	<u>1,282,689</u>

17 Creditors

	Note	2020 £	Group 2019 £	2020 £	Company 2019 £
Due within one year					
Trade creditors		515,322	274,060	515,322	274,060
Amounts due to associates	26	1,086,419	1,834,845	1,080,801	1,834,845
Corporation tax		3,543	-	-	-
Social security and other taxes		57,061	-	48,185	-
Outstanding defined contribution pension costs		21,960	-	21,960	-
Accrued expenses		735,514	2,278,099	720,168	2,278,099
Deferred income		<u>28,867</u>	<u>46,926</u>	<u>28,867</u>	<u>46,926</u>
		<u>2,448,686</u>	<u>4,433,930</u>	<u>2,415,303</u>	<u>4,433,930</u>
Due after one year					
Loans and borrowings	18	47,307,640	35,257,640	47,307,640	35,257,640
Deferred income		<u>245,000</u>	<u>154,606</u>	<u>245,000</u>	<u>154,606</u>
		<u>47,552,640</u>	<u>35,412,246</u>	<u>47,552,640</u>	<u>35,412,246</u>

18 Loans and borrowings

	2020 £	Group 2019 £	2020 £	Company 2019 £
Non-current loans and borrowings				
Loans and borrowings	<u>47,307,640</u>	<u>35,257,640</u>	<u>47,307,640</u>	<u>35,257,640</u>

Group and company

Loans and borrowings

Loans from joint venturers is denominated in Sterling with a nominal interest rate of LIBOR + 2.5%, and the final instalment is due on 14 January 2025. The carrying amount at year end is £47,307,640 (2019 - £35,257,640).

FiberLean Technologies Limited

Notes to the Financial Statements

Year Ended 31 December 2020

Included in the loans and borrowings are the following amounts due after more than five years:

	2020 £	2019 £
After more than five years not by instalments	-	11,400,000

19 Obligations under leases and hire purchase contracts

Group and company

Operating leases

The total of future minimum lease payments is as follows:

	2020 £	2019 £
Not later than one year	20,605	13,780
Later than one year and not later than five years	47,524	34,004
Later than five years	6,541	-
	<u>74,670</u>	<u>47,784</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £20,605 (2019 - £13,780).

20 Provisions for liabilities

Group and company

	Deferred tax £
At 1 January 2020	328,830
Increase (decrease) in existing provisions	<u>52,768</u>
At 31 December 2020	<u>381,598</u>

21 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £266,533 (2019 - £272,386).

Contributions totalling £21,960 (2019 - £Nil) were payable to the scheme at the end of the year and are included in creditors.

FiberLean Technologies Limited

Notes to the Financial Statements

Year Ended 31 December 2020

22 Share capital

Allotted, called up and fully paid shares

	No.	2020 £	No.	2019 £
Ordinary A shares of £1 each	19,696,051	19,696,051	19,696,051	19,696,051
Ordinary B shares of £1 each	19,696,051	19,696,051	19,696,051	19,696,051
	<u>39,392,102</u>	<u>39,392,102</u>	<u>39,392,102</u>	<u>39,392,102</u>

23 Commitments

Group and company

Capital commitments

The total amount contracted for but not provided in the financial statements was £17,979 (2019 - £455,847).

24 Non adjusting events after the financial period

In February 2021, the Group was recapitalised by the previous shareholders, Imerys S.A. and Omya International AG. FiberLean Technologies Limited issued a further 47,607,640 £1 shares to these JV partners. The existing debt of £48,957,640 was then fully repaid by the Group to these lenders.

On 15 March 2021, one hundred percent of FiberLean Technology Limited shares were acquired by Sechste Werhahn Projekte GmbH, registered address Königstraße 1, 41460 Neuss, Germany. Having purchased the company, Sechste Werhahn Projekte GmbH formally registered a change of name to FiberLean Technologies GmbH.

25 Analysis of changes in net debt

Group

	At 1 January 2020 £	Financing cash flows £	Foreign exchange movements £	At 31 December 2020 £
Cash and cash equivalents				
Cash	1,282,689	1,545,812	(55,235)	2,773,266
Borrowings				
Long term borrowings	<u>(35,257,640)</u>	<u>(12,050,000)</u>	<u>-</u>	<u>(47,307,640)</u>
	<u>(33,974,951)</u>	<u>(10,504,188)</u>	<u>(55,235)</u>	<u>(44,534,374)</u>

FiberLean Technologies Limited

Notes to the Financial Statements

Year Ended 31 December 2020

26 Related party transactions

The company and group have taken advantage of the exemption in FRS102 "Related Party Disclosures" from disclosing transactions with other wholly owned members of the group.

Group

Summary of transactions with all joint ventures

Imerys Minerals Limited and Omya Holdings AG are related parties of the company by virtue of each being 50% joint venture share holders during the financial year. On the 2nd of November Omya International AG Limited purchased 100% of the shares from Omya Holdings AG, therefore becoming a joint venture shareholder with Imerys Minerals Limited.

During the period the group made sales to joint venture parties of £801,303 (2019: £1,507,851) and made purchases/ received services from these companies of £4,970,295 (2019: £6,466,311). In addition, loans of £12,050,000 (2019: £11,400,000) were received from the joint venture parties which incurred interest at a rate of LIBOR +2.5% which created interest charges of £1,192,534 (2019: £1,010,933). At the period end date, a net £48,068,721 (2019: £36,640,478) was due to these companies.

This debt is unsecured.

Company

Summary of transactions with all joint ventures

Imerys Minerals Limited and Omya Holdings AG are related parties of the company by virtue of each being 50% joint venture share holders. On the 2nd of November Omya International AG Limited purchased the shares from Omya Holdings AG, therefore becoming a joint venture holder with Imerys Minerals Limited.

During the period the company made sales to joint venture parties of £801,303 (2019: £1,507,851) and made purchases/ received services from these companies of £4,970,295 (2019: £6,466,311). In addition, loans of £12,050,000 (2019: £11,400,000) were received from the joint venture parties which incurred interest at a rate of LIBOR +2.5% which created interest charges of £1,192,534 (2019: £1,010,933). At the period end date, a net £48,096,685 (2019: £36,640,478) was due to these companies.

This debt is unsecured.

FiberLean Technologies Limited

Notes to the Financial Statements

Year Ended 31 December 2020

27 Parent and ultimate parent undertaking

The company's immediate parent was Imerys Minerals Limited and Omya International AG, incorporated in England and Wales and Switzerland respectively.

The ultimate parent was Imerys SA and Omya International AG. FiberLean Technologies Limited is a joint venture between Imerys Minerals Limited and Omya International AG, incorporated in France and Switzerland respectively.

On 15 March, one hundred percent of the company shares were acquired by Sechste Werhahn Projekte GmbH, incorporated in Germany, registered address Königstraße 1, 41460 Neuss. Having purchased the company, Sechste Werhahn Projekte GmbH formally changed its name to FiberLean Technologies GmbH. The ultimate parent, smallest and most senior parent entity producing publicly available financial statements, is Wilh. Werhahn KG, incorporated in Germany.