

COMPANY REGISTRATION NUMBER: 10650704

Easy Newco Limited
Financial Statements
31 March 2018

KING & KING

Chartered accountant & statutory auditor
First Floor Roxburghe House
273-287 Regent Street
London
W1B 2HA



Easy Newco Limited

Financial Statements

Period from 3 March 2017 to 31 March 2018

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Easy Newco Limited
Officers and Professional Advisers

The board of directors	Mr D Pearce Mr D J Mosley
Registered office	Brunel Way Thetford Norfolk IP24 1HF
Auditor	King & King Chartered accountant & statutory auditor First Floor Roxburghe House 273-287 Regent Street London W1B 2HA

Easy Newco Limited

Strategic Report

Period from 3 March 2017 to 31 March 2018

The directors present their Strategic Report for the period ended 31 March 2018.

Principal activity and business review

The principal activity of the company and group continued to be that of manufacture, marketing and distribution of cleaning products for the domestic and international markets.

The company and group performed well in a difficult economic environment by increasing sales and by continual review of operating costs. This resulted in an improvement in net profit and there was an increase in net assets.

The board believes that the company has now established itself in the market and expects that the company will continue to grow in the future.

Key performance indicators

The board of Director has identified the following Key Performance Indicators to help and understand and measure the performance of the company:

	2018
Revenue (£ millions)	46
Gross margin (%)	14
Trade debtor days	65
Trade creditor days	81

Future developments

First year of trading for the business saw Easy Newco acquire Easy Cleaning Solutions Ltd (ECS) and certain Intellectual property assets from Jeyes Holdings Ltd in April 2017.

During the year good progress has been made reducing the overhead cost base from one required to support a branded product portfolio to one which is more appropriate for the Private Label focus of ECS this included the following key projects;

Consolidating operations and warehousing into the Brunel Way site.

Significant new warehouse space was constructed to accommodate 3,000 additional pallets Upgrade of business systems to include a warehouse management system

These steps enabled ECS to return its 10,000 sqm warehouse at Wyatt Way to the landlord, bring the warehouse service in house and eliminate double handling and additional pallet transport costs. ECS will see its rent and rates costs reduce by approximately 600k per annum and warehouse running costs reduced by a similar amount

Pivoting procurements focus to Asia for key materials, working closely with a number of new suppliers to develop sustainable supply from manufacturers closer to the source of the raw materials.

By year end 10% of total material demand had been resourced in this way which we expect to rise to 20% by 2019 year end.

Installing new PET bottle blowing machine capacity which has enabled ECS to access new bottle designs at lower costs.

Easy Newco Limited

Strategic Report (continued)

Period from 3 March 2017 to 31 March 2018

Future developments (continued)

Conclusion of a long term contract manufacturing agreement which sees ECS fix demand for circa 30% of its turnover through to end 2021.

Agreeing a new long term lease on the Brunel Way site which saw premiums fall by 35%.

Good progress on upper tier COMAH accreditation and Sodium Hypochlorite biocide registration which were successfully concluded after year end

The Group still delivered a trading loss for the period as costs were incurred delivering the above initiatives and the cost savings realised started to build only towards the year end.

Following the year end, ECS successfully secured new sales agreements with key customers, which will increase turnover. To meet this new demand ECS has purchased a new high speed fully automated washing up liquid line. This machine doubles manufacturing capacity for this product line to 40,000,000 units per annum.

ECS continues to benefit from having unutilised machine capacity on hand, which allows access to sales opportunities without, in most cases, a need for significant capital spend, a recent example of this was a new contract to supply all purpose cleaners and disinfectants to a major grocer which is produced on a high speed 40 head filling machine which had been unutilised for some time.

It is a great advantage to ECS to have a large and capable site in Brunel Way which has the scale and infrastructure to support double the present packed liquid volume.

The directors have provided 810,000 by way of a debenture to support the acquisition and the costs associated with restructuring the business.

Principal risks and uncertainties

All businesses are subject to risks and many individual risks are macro-economic or social and common across many businesses. The key risks are those which could materially damage the company's strategy, reputation, business, profitability or assets. The principal financial risks to which the company is exposed are those of liquidity, market condition, credit, cash flow and foreign currency. Each of these risks are managed in accordance with board approved policies which are set out below. This list is in no particular order and is not an exhaustive list of all potential risks. Some risks may be unknown and it may transpire that others currently considered immaterial become material.

Liquidity Risk

The company manages liquidity risk by maintaining access to a number of sources of funding which are sufficient to meet anticipated funding requirements. The directors review the company's on-going liquidity risks regularly and constantly monitor debtors receivable and creditors payable.

Economic, market and price risk

The company's performance is directly impacted by the economic environment. The company operates in a highly competitive market and price competition can adversely affect the company's result. The company endeavour to manage price risk by placing purchase orders with material suppliers only after some degree of assurance is achieved for the sale of the goods being forecast.

Easy Newco Limited

Strategic Report (continued)

Period from 3 March 2017 to 31 March 2018

Credit Risk

The company is at risk of exposure to financial losses should a counter party fail to meet its obligations as and when they fall due. The credit risk is managed by setting credit limits as deemed appropriate for each customer, these limits are reviewed at least quarterly.

Cash flow Risk

The company is reliant on timely receipts from customers and facilities to manage its cash flow. The directors closely monitor cash flow position.

Foreign currency Risk

As the company transacts substantially in £ sterling, it is not exposed to currency rate risk. There are a small number of transactions in US Dollars and Euros, for which the company operates a separate bank account.

Going concern

The Director, having reviewed the accounts and after making appropriate enquiries, consider that the company has adequate resources to continue in the operational existence for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the financial statements.

This report was approved by the board of directors on 28 February 2019 and signed on behalf of the board by:



Mr D Pearce
Director

Registered office:
Brunel Way
Thetford
Norfolk
IP24 1HF

Easy Newco Limited

Directors' Report

Period from 3 March 2017 to 31 March 2018

The directors present their report and the financial statements of the group for the period ended 31 March 2018.

Directors

The directors who served the company during the period were as follows:

Mr D J Mosley

Mr D Pearce

(Appointed 3 March 2017)

Dividends

The directors do not recommend the payment of a dividend.

Employment of disabled persons

The company is an equal opportunities employer in respect of disabilities.

Employee involvement

During the period the policy of providing employees with information about the company has been continued. Regular meetings are held between management and employees for suggestions and views on the company's performance.

Disclosure of information in the strategic report

The company has chosen to set out in the company's future development details in the strategic report.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. 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 group and the company and the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

Easy Newco Limited

Directors' Report (continued)

Period from 3 March 2017 to 31 March 2018

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 28 February 2019 and signed on behalf of the board by:



Mr D Pearce
Director

Registered office:
Brunel Way
Thetford
Norfolk
IP24 1HF

Easy Newco Limited

Independent Auditor's Report to the Members of Easy Newco Limited

Period from 3 March 2017 to 31 March 2018

Opinion

We have audited the financial statements of Easy Newco Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 March 2018 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2018 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Easy Newco Limited

Independent Auditor's Report to the Members of Easy Newco Limited (continued)

Period from 3 March 2017 to 31 March 2018

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the 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 the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Easy Newco Limited

Independent Auditor's Report to the Members of Easy Newco Limited (continued)

Period from 3 March 2017 to 31 March 2018

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Easy Newco Limited

Independent Auditor's Report to the Members of Easy Newco Limited (continued)

Period from 3 March 2017 to 31 March 2018

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Milankumar H Patel (Senior Statutory Auditor)

For and on behalf of
King & King
Chartered accountant & statutory auditor
First Floor Roxburghe House
273-287 Regent Street
London
W1B 2HA

28 February 2019

Easy Newco Limited

Consolidated Statement of Comprehensive Income

Period from 3 March 2017 to 31 March 2018

		Period from 3 Mar 17 to 31 Mar 18 £
Turnover	Note 4	46,312,715
Cost of sales		<u>39,640,394</u>
Gross profit		6,672,321
Distribution costs		4,834,892
Administrative expenses		<u>1,946,827</u>
Operating loss	5	(109,398)
Other interest receivable and similar income	9	11,855
Interest payable and similar expenses	10	<u>177,336</u>
Loss before taxation		(274,879)
Tax on loss		<u>—</u>
Loss for the financial period and total comprehensive income		<u><u>(274,879)</u></u>

All the activities of the group are from continuing operations.

The notes on pages 17 to 28 form part of these financial statements.

Easy Newco Limited
Consolidated Statement of Financial Position
31 March 2018

	Note	31 Mar 18 £
Fixed assets		
Intangible assets	11	1,021,767
Tangible assets	12	4,687,490
		<u>5,709,257</u>
Current assets		
Stocks	14	4,724,953
Debtors	15	8,842,798
Cash at bank and in hand		96,532
		<u>13,664,283</u>
Creditors: amounts falling due within one year	17	17,235,459
Net current liabilities		<u>3,571,176</u>
Total assets less current liabilities		2,138,081
Creditors: amounts falling due after more than one year	18	960,292
Provisions	20	1,452,667
Net liabilities		<u>(274,878)</u>
Capital and reserves		
Called up share capital	22	1
Profit and loss account	23	(274,879)
Shareholders deficit		<u>(274,878)</u>

These financial statements were approved by the board of directors and authorised for issue on 28 February 2019, and are signed on behalf of the board by:



Mr D Pearce
Director

Company registration number: 10650704

The notes on pages 17 to 28 form part of these financial statements.

Easy Newco Limited
Company Statement of Financial Position
31 March 2018

	Note	31 Mar 18 £
Fixed assets		
Intangible assets	11	475,000
Investments	13	<u>321,292</u>
		796,292
Current assets		
Cash at bank and in hand		1
Creditors: amounts falling due within one year	17	<u>73,292</u>
Net current liabilities		<u>73,291</u>
Total assets less current liabilities		723,001
Creditors: amounts falling due after more than one year	18	<u>810,000</u>
Net liabilities		<u>(86,999)</u>
Capital and reserves		
Called up share capital	22	1
Profit and loss account	23	<u>(87,000)</u>
Shareholders deficit		<u>(86,999)</u>

The loss for the financial period of the parent company was £87,000.

These financial statements were approved by the board of directors and authorised for issue on 28 February 2019, and are signed on behalf of the board by:



Mr D Pearce
Director

Company registration number: 10650704

The notes on pages 17 to 28 form part of these financial statements.

Easy Newco Limited

Consolidated Statement of Changes in Equity

Period from 3 March 2017 to 31 March 2018

	Called up share capital £	Profit and loss account £	Total £
At 3 March 2017	–	–	–
Loss for the period	–	(274,879)	(274,879)
Total comprehensive income for the period	–	(274,879)	(274,879)
Issue of shares	1	–	1
Total investments by and distributions to owners	1	–	1
At 31 March 2018	<u>1</u>	<u>(274,879)</u>	<u>(274,878)</u>

The notes on pages 17 to 28 form part of these financial statements.

Easy Newco Limited
Company Statement of Changes in Equity
Period from 3 March 2017 to 31 March 2018

	Called up share capital £	Profit and loss account £	Total £
At 3 March 2017	–	–	–
Loss for the period	–	(87,000)	(87,000)
Total comprehensive income for the period	–	(87,000)	(87,000)
Issue of shares	1	–	1
Total investments by and distributions to owners	1	–	1
At 31 March 2018	<u>1</u>	<u>(87,000)</u>	<u>(86,999)</u>

The notes on pages 17 to 28 form part of these financial statements.

Easy Newco Limited
Consolidated Statement of Cash Flows
Period from 3 March 2017 to 31 March 2018

	Note	31 Mar 18 £
Cash flows from operating activities		
Loss for the financial period		(274,879)
Adjustments for:		
Depreciation of tangible assets		952,738
Amortisation of intangible assets		194,079
Other interest receivable and similar income		(11,855)
Interest payable and similar expenses		177,336
Accrued expenses		579,434
Changes in:		
Stocks		2,212,159
Trade and other debtors		8,929,861
Trade and other creditors		(17,728,114)
Provisions and employee benefits		(132,000)
Cash generated from operations		(5,101,241)
Interest paid		(177,336)
Interest received		11,855
Net cash used in operating activities		<u>(5,266,722)</u>
Cash flows from investing activities		
Purchase of tangible assets		(700,648)
Purchase of intangible assets		(728,978)
Net cash used in investing activities		<u>(1,429,626)</u>
Cash flows from financing activities		
Proceeds from issue of ordinary shares		1
Proceeds from borrowings		810,000
Payments of finance lease liabilities		262,517
Net cash from financing activities		<u>1,072,518</u>
Net decrease in cash and cash equivalents		(5,623,830)
Cash and cash equivalents at beginning of period		(1,290,272)
Cash and cash equivalents at end of period	16	<u>(6,914,102)</u>

The notes on pages 17 to 28 form part of these financial statements.

Easy Newco Limited

Notes to the Financial Statements

Period from 3 March 2017 to 31 March 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Brunel Way, Thetford, Norfolk, IP24 1HF.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The financial statements consolidate the financial statements of Easy Newco Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the period are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Easy Newco Limited

Notes to the Financial Statements (continued)

Period from 3 March 2017 to 31 March 2018

3. Accounting policies (continued)

Revenue recognition (continued)

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	10 years
Patents, trademarks and licences	-	5 to 15 years

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Easy Newco Limited

Notes to the Financial Statements (continued)

Period from 3 March 2017 to 31 March 2018

3. Accounting policies (continued)

Tangible assets (continued)

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold improvements	- 3 to 40 years
Plant and machinery	- 4 to 15 years
Fixtures and fittings	- 4 to 15 years

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investments in associates

Investments in associates are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate.

Investments in joint ventures

Investments in joint ventures are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the joint venture.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Easy Newco Limited

Notes to the Financial Statements (continued)

Period from 3 March 2017 to 31 March 2018

3. Accounting policies (continued)

Impairment of fixed assets (continued)

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Easy Newco Limited

Notes to the Financial Statements (continued)

Period from 3 March 2017 to 31 March 2018

3. Accounting policies (continued)

Financial instruments (continued)

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	Period from
	3 Mar 17 to
	31 Mar 18
	£
Sale of goods	<u>46,312,715</u>

Easy Newco Limited

Notes to the Financial Statements (continued)

Period from 3 March 2017 to 31 March 2018

4. Turnover (continued)

The turnover is attributable to the one principal activity of the group. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	Period from 3 Mar 17 to 31 Mar 18 £
United Kingdom	43,998,178
Overseas	2,314,537
	<u>46,312,715</u>

5. Operating profit

Operating profit or loss is stated after charging:

	Period from 3 Mar 17 to 31 Mar 18 £
Amortisation of intangible assets	194,079
Depreciation of tangible assets	<u>952,738</u>

6. Auditor's remuneration

	Period from 3 Mar 17 to 31 Mar 18 £
Fees payable for the audit of the financial statements	<u>21,000</u>
Fees payable to the company's auditor and its associates for other services: Other non-audit services	<u>6,000</u>

7. Staff costs

The average number of persons employed by the group during the period, including the directors, amounted to:

	31 Mar 18 No.
Production staff	213
Distribution staff	15
Administrative staff	25
	<u>253</u>

Easy Newco Limited

Notes to the Financial Statements (continued)

Period from 3 March 2017 to 31 March 2018

7. Staff costs (continued)

The aggregate payroll costs incurred during the period, relating to the above, were:

	Period from 3 Mar 17 to 31 Mar 18 £
Wages and salaries	6,227,829
Social security costs	614,397
Other pension costs	119,688
	<u>6,961,914</u>

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	Period from 3 Mar 17 to 31 Mar 18 £
Remuneration	221,184
Company contributions to defined contribution pension plans	4,375
	<u>225,559</u>

The number of directors who accrued benefits under company pension plans was as follows:

	31 Mar 18 No.
Defined contribution plans	<u>2</u>

Remuneration of the highest paid director in respect of qualifying services:

	Period from 3 Mar 17 to 31 Mar 18 £
Aggregate remuneration	<u>123,065</u>

9. Other interest receivable and similar income

	Period from 3 Mar 17 to 31 Mar 18 £
Exchange gains / losses	<u>11,855</u>

Easy Newco Limited

Notes to the Financial Statements (continued)

Period from 3 March 2017 to 31 March 2018

10. Interest payable and similar expenses

	Period from 3 Mar 17 to 31 Mar 18 £
Other operating expenses	22,450
Other interest payable and similar charges	154,886
	<u>177,336</u>

11. Intangible assets

Group

	Goodwill £	Patents, trademarks and licences £	Total £
Cost			
At 3 March 2017	–	3,348,508	3,348,508
Additions	118,095	610,883	728,978
At 31 March 2018	<u>118,095</u>	<u>3,959,391</u>	<u>4,077,486</u>
Amortisation			
At 3 March 2017	–	2,861,640	2,861,640
Charge for the period	11,809	182,270	194,079
At 31 March 2018	<u>11,809</u>	<u>3,043,910</u>	<u>3,055,719</u>
Carrying amount			
At 31 March 2018	<u>106,286</u>	<u>915,481</u>	<u>1,021,767</u>

Company

	Patents, trademarks and licences £
Cost	
At 3 March 2017	–
Additions	500,000
At 31 March 2018	<u>500,000</u>
Amortisation	
At 3 March 2017	–
Charge for the period	25,000
At 31 March 2018	<u>25,000</u>
Carrying amount	
At 31 March 2018	<u>475,000</u>

Easy Newco Limited

Notes to the Financial Statements (continued)

Period from 3 March 2017 to 31 March 2018

12. Tangible assets

Group	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 3 March 2017	4,909,050	41,086,195	3,961,918	49,957,163
Additions	190,418	461,891	48,339	700,648
At 31 March 2018	<u>5,099,468</u>	<u>41,548,086</u>	<u>4,010,257</u>	<u>50,657,811</u>
Depreciation				
At 3 March 2017	3,497,932	37,628,657	3,890,994	45,017,583
Charge for the period	240,090	676,677	35,971	952,738
At 31 March 2018	<u>3,738,022</u>	<u>38,305,334</u>	<u>3,926,965</u>	<u>45,970,321</u>
Carrying amount				
At 31 March 2018	<u>1,361,446</u>	<u>3,242,752</u>	<u>83,292</u>	<u>4,687,490</u>

The company has no tangible assets.

13. Investments

The group has no investments.

Company	Shares in group undertakings £
Cost	
At 3 March 2017	—
Additions	321,292
At 31 March 2018	<u>321,292</u>
Impairment	
At 3 March 2017 and 31 March 2018	<u>—</u>
Carrying amount	
At 31 March 2018	<u>321,292</u>

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

	Class of share	Percentage of shares held
Subsidiary undertakings		
Easy Cleaning Solutions Limited	Ordinary	100

Easy Newco Limited

Notes to the Financial Statements (continued)

Period from 3 March 2017 to 31 March 2018

14. Stocks

	Group 31 Mar 18 £	Company 31 Mar 18 £
Raw materials and consumables	2,058,232	–
Work in progress	344,287	–
Finished goods and goods for resale	2,322,434	–
	<u>4,724,953</u>	<u>–</u>

15. Debtors

	Group 31 Mar 18 £	Company 31 Mar 18 £
Trade debtors	8,183,476	–
Amounts owed by group undertakings	71,292	–
Prepayments and accrued income	529,690	–
Other debtors	58,340	–
	<u>8,842,798</u>	<u>–</u>

The book debts have been offered as a security in respect of sales finance facility.

16. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	31 Mar 18 £
Cash at bank and in hand	96,532
Bank overdrafts	(7,010,634)
	<u>(6,914,102)</u>

17. Creditors: amounts falling due within one year

	Group 31 Mar 18 £	Company 31 Mar 18 £
Bank loans and overdrafts	7,010,634	–
Trade creditors	8,784,143	–
Amounts owed to group undertakings	–	71,292
Accruals and deferred income	449,350	2,000
Social security and other taxes	663,857	–
Obligations under finance leases and hire purchase contracts	112,225	–
Other creditors	215,250	–
	<u>17,235,459</u>	<u>73,292</u>

Easy Newco Limited

Notes to the Financial Statements (continued)

Period from 3 March 2017 to 31 March 2018

17. Creditors: amounts falling due within one year (continued)

Included in bank loans and overdraft is an amount advanced in respect of sales financing which is secured by way of a first charge on all discounted debts. The overdraft is also secured by a debenture secured against all assets of the company.

Obligations under finance leases and hire purchase contracts are secured on their related assets.

18. Creditors: amounts falling due after more than one year

	Group 31 Mar 18	Company 31 Mar 18
	£	£
Debenture loans	810,000	810,000
Obligations under finance leases and hire purchase contracts	150,292	—
	<u>960,292</u>	<u>810,000</u>

Debenture loans are provided by the management of the company and group.

Obligations under finance leases and hire purchase contracts are secured on their related assets.

19. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group 31 Mar 18	Company 31 Mar 18
	£	£
Not later than 1 year	112,225	—
Later than 1 year and not later than 5 years	150,292	—
	<u>262,517</u>	<u>—</u>

20. Provisions

Group	Property provisions £
At 3 March 2017	1,584,667
Transfers	(132,000)
At 31 March 2018	<u>1,452,667</u>

The company does not have any provisions.

Property provisions relate to lease dilapidations relating to the company's leased premises.

Easy Newco Limited

Notes to the Financial Statements (continued)

Period from 3 March 2017 to 31 March 2018

21. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £119,688.

22. Called up share capital

Issued, called up and fully paid

	No.	31 Mar 18 £
Ordinary shares of £0.001 each	<u>1,000</u>	<u>1</u>

23. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

24. Related party transactions

The company has taken advantage of the exemption allowed under FRS 102 not to disclose related party transactions between wholly owned members of the same group.

25. Controlling party

Easy Newco Limited is controlled by Mr D Pearce, a director of the company.