

Company registration number 10650704 (England and Wales)

EASY NEWCO LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

EASY NEWCO LIMITED

COMPANY INFORMATION

Directors	Mr D Pearce Mr D J Mosley
Company number	10650704
Registered office	Brunel Way Thetford Norfolk IP24 1HF
Auditor	King & King 5th Floor Watson House 54-60 Baker Street London W1U 7BU

EASY NEWCO LIMITED

CONTENTS

	Page
Strategic report	1 - 4
Directors' report	5 - 7
Directors' responsibilities statement	8
Independent auditor's report	9 - 11
Group statement of comprehensive income	12
Group statement of financial position	13
Company statement of financial position	14
Group statement of changes in equity	15
Company statement of changes in equity	16
Group statement of cash flows	17
Notes to the financial statements	18 - 33

EASY NEWCO LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present the strategic report for the year ended 31 March 2022.

Fair review of the business

The group has led the development of effective, affordable cleaning solutions in the UK. For nearly 50 years it has operated from one of the largest integrated cleaning product factories in Europe, producing own brands, those of other brand owners and grocery own label, each supported by a significant research and development resource.

The group delivered an operating profit of £459,897 (2021: £2,026,948). Operating profit has reduced this year as a result of inflationary pressure on cost of materials and other overheads.

The gross profit margin of the group had decreased to 6.30% (2021: 9.58%).

As at the year end the group had net assets of £1,302,717 (2021: £1,618,900) and cash and cash equivalents of £599,091 putting the company in a strong financial position.

The past financial year has been the most challenging faced by the Group in recent times. A range of pricing and cost actions has been pushed through to offset the effect of the rapid and extraordinary rise in virtually all input costs absorbed through the year. Whilst these are now close to covering the rises in costs we have seen, negotiation lags through the year in the acceptance of our new pricing levels has meant the Group suffered losses this past twelve months. The management have worked tirelessly throughout to recover profitability and as we enter the new financial year, it is pleasing to see the business recovering and building to improve through the next year.

The most significant external factor experienced this past year related to the unprecedented inflationary environment experienced across our industry. Whilst the Group has strong and long-lasting relationships across its supplier base, many materials are linked to stock pricing which have risen outside our control and significantly beyond forecast levels. Alongside trying to mitigate the challenges of inflation, supply chains have been constrained through global shortages of materials and logistics networks short of resources, adding further challenges for the business teams aiming to ensure our customers' shelves remained stocked. The war in Ukraine has led to significant global uncertainty, further disruptions to supply chains and additional cost pressures.

Key performance indicators

The Board of Directors has identified the following Key Performance Indicators to help understand and measure the performance of the group:

	2022 (£m)	2021 (£m)
Revenue (£m)	43.55	48.52
Gross Margin (%)	6.30	9.58

The drive for volume has had a small impact on our gross margin, however, has improved factory efficiency. 2021/22 will see a push for a sales mix with more of a margin impact.

Revenue from contracts with customers from the sale of goods is measured at the invoiced amount, net of sales rebates, discounts, value added tax and other sales taxes. A key performance indicator of commercial performance, this marks the progress that we are making towards our strategic objective of becoming UK's leading own label manufacturer of liquid cleaning products.

Headline revenue declined by 4.96 million, reduced volumes in contract manufacturing and weaker private label sales were offset by price rises across all products.

EASY NEWCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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 group's strategy, reputation, business, profitability or assets. The principal financial risks to which the group 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.

Financing risk

The group is potentially exposed to financing risk affecting liquidity and funding that could threaten the ongoing operation and financial viability of the group.

Inability to offset in a timely manner the significant input cost inflation by raising prices, has resulted in a significant deterioration of the Group's profitability and liquidity. The management have developed and executed pricing plans to recover gross margins through cost price increases to customers.

Supply chain resilience

Raw materials continue to drive a significant proportion of our product costs, thereby resulting in key underlying risks associated with commodity markets and their heightened volatility.

Global supply chains were stretched beyond breaking point in many areas as demand bounced back from Covid-19-driven lows which saw capacity reduced in many sectors. Uncertainty over input price inflation will restrict the Group's ability to implement plans for recovery through pricing initiatives.

The management has encouraged long-standing and strong supplier relationships allowing the group to leverage scale and push for prioritisation in times of material shortages. Reliable and regular forecasting capability to equip the Group with forward visibility of both the direction and magnitude of input cost evolution.

Changing market, customer and consumer dynamics

Key international retailers face significant pressure to be the 'backstop' of grocery inflation and therefore continue to resist price increases. The 'post-covid-19' consumer is adapting to a higher cost of living in an inflationary environment.

The management has strengthened partnerships with key retailers to avoid one-dimensional discussions solely focused on price. Clear cost-saving initiatives in each area of the business to mitigate the effects of input price increase.

Increased regulation

The regulatory environment is increasing in complexity with requirement for increased monitoring, governance and reporting. The group is subject to laws and regulations in the markets in which it operates and compliance with these is an essential part of our business operations.

Non compliance with relevant laws and regulations could expose the group and / or our customers to civil and/or criminal actions. This could result in possible damages, fines, criminal sanctions, and damages to our corporate reputation.

The management continued its focus on product compliance processes and controls, which are regularly monitored to drive improvement.

EASY NEWCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Development and performance

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 group's strategy, reputation, business, profitability or assets. The principal financial risks to which the group 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.

The early months of the new financial year have seen trading ahead of our internal plans. Volumes are showing early signs of recovery against a backdrop of an environment that should favour private label products, combined with new business wins. This, together with an improving service performance, provides reassurance both on our revenue outlook and factory operating levels.

Recent months have seen overall raw material costs steady but with widely varying trends between material groups. Energy and currency variations add further uncertainty to the cost environment and hence margin improvement actions from price rises or product engineering remain key activities, with strong performance on both already achieved. At this stage the Group is confident in its view that full-year earnings will be ahead of our initial expectations.

Section 172 (1) statement

Workforce

We recognise that the success of our business is dependent upon the health and wellbeing of our workforce. By investing in the right people we are able to meet the strategic needs of our business. We strive to create a positive and engaged environment for our workforce. We uphold the highest standards of safety in our manufacturing process. At all times the Board balanced the needs of customers and the safety of the workforce.

The management is ultimately responsible for ensuring that our activities reflect the culture we wish to instil in our colleagues to drive the right behaviours. The management is committed to providing an open and inclusive culture, where colleagues have opportunity to progress and where they are supported in their development.

Customers

We are supplying household and personal products for cleaner and more hygienic homes which, since the Covid-19 pandemic, has taken on a new significance. We seek to provide our customers a compelling overall offer balancing the customers' price, service and quality priorities. Over the past year we have made efforts to recover our service performance and continue to recognise the importance to our customers of further improving this key element of our offer. We are committed to provide focused and specialist insight to help our customers that best suits their business.

Our teams look to drive long-lasting, trusted relationships with our customers, ultimately providing a compelling and value range of products. Reacting quickly and effectively to changing requirements is increasingly a core competence in our customer proposition.

Suppliers

Raw materials drive the majority of product costs. Price increases, delay or interruption in the supply of raw materials could significantly affect our operations and financial position. We seek to establish mutually beneficial relationships with each of our suppliers and encourage them to match our high standards. Our procurement function is dedicated to sourcing group's key materials and maintaining open communication with our suppliers.

Our teams have worked tirelessly to negotiate improved pricing and supply terms with all suppliers, delaying increases or minimising their impact where possible.

EASY NEWCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

On behalf of the board

Mr D Pearce
Director

13 December 2022

EASY NEWCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present their annual report and financial statements for the year ended 31 March 2022.

Principal activities

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

Results and dividends

The results for the year are set out on page 12.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr D Pearce

Mr D J Mosley

Qualifying third party indemnity provisions

The Directors have the benefit of an indemnity provision contained in the Articles of Association of the Company. In addition, under deeds of indemnity, the Company has granted indemnities in favour of each Director of the Company in respect of any liability that may incur to a third party in relation to the affairs of the Company or any Group company. Consequently, qualifying third-party indemnity provisions for the purposes of section 234 of the Companies Act 2006 were accordingly in force during the course of the financial year and remain in force at the date of the approval of this report.

Research and development

The group is involved with research and development to create washing up liquid, lactic acid reduction and testing and low carbon block formulation project.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the group's performance.

Auditor

The auditor, King & King, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

EASY NEWCO LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Energy and carbon report

	2022 kWh	2021 kWh
<i>Energy consumption</i>		
Aggregate of energy consumption in the year	4,517,091	5,056,165
	2022 metric tonnes	2021 metric tonnes
<i>Emissions of CO2 equivalent</i>		
Scope 1 - direct emissions		
- Gas combustion	67	70
- Fuel consumed for owned transport	-	-
	67	70
Scope 2 - indirect emissions		
- Electricity purchased	804	970
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the	15.00	24.00
Total gross emissions	886	1,064
<i>Intensity ratio</i>		
Tonnes CO2e per employee	3.4	4.1

Quantification and reporting methodology

The group has followed the 2019 HM Government Environmental Reporting Guidelines. The group has also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per employee, the recommended ratio for the sector.

Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the group is aware of that information.

EASY NEWCO LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Going concern

The directors have prepared detailed group financial projections for the period ending 31 December 2023. These projections are based on assumptions that the directors consider to be reasonable and achievable.

In preparing these projections, the directors have also considered the potential impact of COVID-19, recession and inflation in the UK economy. As at the date of approving these financial statements the group's trading volumes and client base have not been significantly affected by the pandemic, although it is difficult to evaluate all of the potential implications on the group's trade, customers and the wider economy.

The group incurred an operating profit of £459,897 during the year and the statement of financial position shows net assets of £1,302,717.

After considering the above matters, current trading levels, and the existing banking facilities available to the group, the directors believe that the group will have adequate resources to meet its liabilities as they fall due so as to operate as a going concern for at least twelve months following the date of approval of these financial statements. The directors therefore consider it appropriate to continue to apply the going concern basis for preparing the financial statements.

On behalf of the board

Mr D Pearce

Director

13 December 2022

EASY NEWCO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

The directors are responsible 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 group and company, and of 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 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 ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

EASY NEWCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EASY NEWCO LIMITED

Opinion

We have audited the financial statements of Easy Newco Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including 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 March 2022 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 and parent company 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 directors' 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 group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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

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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

EASY NEWCO LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF EASY NEWCO LIMITED

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year 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 their 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.

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 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

EASY NEWCO LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF EASY NEWCO LIMITED

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

- challenging assumptions and judgements made by management in their significant accounting estimates (because of the risk of management bias), in particular around property plant and equipment and valuation and provision on stock;
- discussions with management including known or suspected instances of non-compliance with laws and regulation or fraud;
- enquired with the management of actual and potential litigation and claims;
- auditing the tax computations to ensure compliance with tax legislation;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- reviewing financial statement disclosures and testing to supporting documentation where appropriate to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, the risk of non 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.

Our audit testing might include testing complete populations of certain transactions and balances. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

Milankumar Patel (Senior Statutory Auditor)
For and on behalf of King & King Chartered Accountants & Statutory Auditor

5th Floor
Watson House
54-60 Baker Street
London
W1U 7BU

13 December 2022

EASY NEWCO LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Revenue	3	43,553,480	48,515,055
Cost of sales		(40,805,997)	(43,866,239)
Gross profit		2,747,483	4,648,816
Distribution costs		(313,880)	(1,045,649)
Administrative expenses		(1,973,706)	(1,576,219)
Operating profit	4	459,897	2,026,948
Finance costs	8	(776,080)	(670,359)
(Loss)/profit before taxation		(316,183)	1,356,589
Tax on (loss)/profit	9	-	-
(Loss)/profit for the financial year	23	(316,183)	1,356,589

(Loss)/profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

All the activities of the group are from continuing operations.

EASY NEWCO LIMITED

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

		2022		2021	
	Notes	£	£	£	£
Non-current assets					
Goodwill	11		59,050		70,859
Other intangible assets	11		836,420		852,970
Total intangible assets			895,470		923,829
Property, plant and equipment	12		4,908,505		5,119,975
			5,803,975		6,043,804
Current assets					
Inventories	15	7,319,615		5,779,852	
Trade and other receivables	16	10,844,848		9,466,149	
Cash and cash equivalents		599,091		769,726	
		18,763,554		16,015,727	
Current liabilities	17	(21,436,150)		(18,966,931)	
Net current liabilities			(2,672,596)		(2,951,204)
Total assets less current liabilities			3,131,379		3,092,600
Non-current liabilities	18		(1,828,662)		(1,473,700)
Net assets			1,302,717		1,618,900
Equity					
Called up share capital	22		1		1
Retained earnings	23		1,302,716		1,618,899
Total equity			1,302,717		1,618,900

The financial statements were approved by the board of directors and authorised for issue on 13 December 2022 and are signed on its behalf by:

Mr D Pearce
Director

Company registration number 10650704 (England and Wales)

EASY NEWCO LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Non-current assets					
Intangible assets	11	375,000		400,000	
Investments	13	321,292		321,292	
			696,292		721,292
Current assets					
Trade and other receivables	16	836,552		622,541	
Cash and cash equivalents		1		1	
		836,553		622,542	
Current liabilities	17	(172,384)		(270,964)	
Net current assets			664,169		351,578
Total assets less current liabilities			1,360,461		1,072,870
Non-current liabilities	18	(1,601,996)		(1,020,367)	
Net (liabilities)/assets			(241,535)		52,503
Equity					
Called up share capital	22	1		1	
Retained earnings	23	(241,536)		52,502	
Total equity			(241,535)		52,503

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's loss for the year was £294,038 (2021 - £623,760 profit).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 13 December 2022 and are signed on its behalf by:

Mr D Pearce
Director

Company registration number 10650704 (England and Wales)

EASY NEWCO LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Share capital £	Retained earnings £	Total £
Balance at 1 April 2020		1	462,310	462,311
Year ended 31 March 2021:				
Profit and total comprehensive income for the year		-	1,356,589	1,356,589
Dividends	10	-	(200,000)	(200,000)
Balance at 31 March 2021		1	1,618,899	1,618,900
Year ended 31 March 2022:				
Loss and total comprehensive income for the year		-	(316,183)	(316,183)
Balance at 31 March 2022		1	1,302,716	1,302,717

EASY NEWCO LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Share capital £	Retained earnings £	Total £
Balance at 1 April 2020		1	(371,258)	(371,257)
Year ended 31 March 2021:				
Profit and total comprehensive income for the year		-	623,760	623,760
Dividends	10	-	(200,000)	(200,000)
Balance at 31 March 2021		1	52,502	52,503
Year ended 31 March 2022:				
Loss and total comprehensive income for the year		-	(294,038)	(294,038)
Balance at 31 March 2022		1	(241,536)	(241,535)

EASY NEWCO LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

		2022	2021
	Notes	£	£
Cash flows from operating activities			
Cash absorbed by operations	26	(1,263,141)	(333,540)
Interest paid		(521,233)	(506,346)
Net cash outflow from operating activities		(1,784,374)	(839,886)
Investing activities			
Purchase of intangible assets		(33,287)	(39,206)
Proceeds on disposal of intangibles		-	500,000
Purchase of property, plant and equipment		(338,989)	(599,802)
Net cash used in investing activities		(372,276)	(139,008)
Financing activities			
Issue of convertible loans		500,000	-
Repayment of debentures		81,629	75,583
Repayment of bank loans		(226,667)	680,000
Payment of finance leases obligations		(24,507)	(127,114)
Dividends paid to equity shareholders		-	(200,000)
Net cash generated from financing activities		330,455	428,469
Net decrease in cash and cash equivalents		(1,826,195)	(550,425)
Cash and cash equivalents at beginning of year		(7,743,493)	(10,068,374)
Cash and cash equivalents at end of year		(9,809,239)	(7,743,493)
Relating to:			
Cash at bank and in hand		599,091	769,726
Bank overdrafts included in creditors payable within one year		(10,408,330)	(8,513,219)

EASY NEWCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Easy Newco Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Brunel Way, Thetford, Norfolk, IP24 1HF.

The group consists of Easy Newco Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Easy Newco Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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.

EASY NEWCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.3 Going concern

The directors have prepared detailed group financial projections for the period ending 31 December 2023. These projections are based on assumptions that the directors consider to be reasonable and achievable.

In preparing these projections, the directors have also considered the potential impact of COVID-19, recession and inflation in the UK economy. As at the date of approving these financial statements the group's trading volumes and client base have not been significantly affected by the pandemic, although it is difficult to evaluate all of the potential implications on the group's trade, customers and the wider economy.

The group incurred an operating profit of £459,897 during the year and the statement of financial position shows net assets of £1,302,717.

After considering the above matters, current trading levels, and the existing banking facilities available to the group, the directors believe that the group will have adequate resources to meet its liabilities as they fall due so as to operate as a going concern for at least twelve months following the date of approval of these financial statements. The directors therefore consider it appropriate to continue to apply the going concern basis for preparing the financial statements.

1.4 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

EASY NEWCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Patents & licences	5 to 10 years
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1.7 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives.

The useful life of the tangible assets have been assessed at the end of the year and updated as follows for future periods:

Leasehold land and buildings	3 to 40 years
Plant and equipment	4 to 18 years
Fixtures and fittings	4 to 15 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of comprehensive income.

1.8 Non-current investments

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

1.9 Impairment of non-current assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

EASY NEWCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Inventories are recognised as an expense in the period in which the related revenue is recognised.

Cost is determined on the first in, first out (FIFO) method. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.11 Cash and cash equivalents

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

1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

EASY NEWCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Compound instruments

The compound instruments issued by the group are classified as financial liabilities in accordance with the substance of the contractual arrangement due to existence of contingent settlement provisions.

1.14 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

EASY NEWCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.15 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

EASY NEWCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Stock provisioning

The company manufactures and sells cleaning products and is subject to changing consumer demands. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock as well as applying assumptions around anticipated saleability of finished foods and future usage of raw materials.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Bad debt provisioning

An allowance for doubtful accounts is maintained for potential credit losses based upon managements assessment of the expected collectability of all accounts receivable. The allowance for doubtful accounts is reviewed periodically to assess the adequacy of the allowance.

Dilapidations provision

Dilapidations relate to the vacated warehouse and are charged as a cost in the year the charges are agreed with the landlord. Dilapidation costs paid in future years will be set against the provision for the costs.

3 Revenue

	2022 £	2021 £
Revenue analysed by class of business		
Sale of goods	43,553,480	48,515,055

EASY NEWCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

3 Revenue (Continued)

	2022 £	2021 £
Revenue analysed by geographical market		
United Kingdom	42,240,334	46,977,034
Overseas	1,313,146	1,538,021
	<u>43,553,480</u>	<u>48,515,055</u>

4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned property, plant and equipment	550,459	527,963
Depreciation of property, plant and equipment held under finance leases	-	121,362
Amortisation of intangible assets	61,646	140,074
Profit on disposal of intangible assets	-	(500,000)
	<u></u>	<u></u>

5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	35,000	26,000
	<u></u>	<u></u>
For other services		
Taxation compliance services	5,000	6,000
	<u></u>	<u></u>

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Production staff	172	176	-	-
Distribution staff	44	40	-	-
Administration staff	45	36	-	-
	<u>261</u>	<u>252</u>	<u>-</u>	<u>-</u>

EASY NEWCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

6 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	5,853,750	6,088,203	130,000	75,000
Social security costs	489,340	541,167	-	-
Pension costs	156,327	173,210	-	-
	<u>6,499,417</u>	<u>6,802,580</u>	<u>130,000</u>	<u>75,000</u>

7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	282,917	223,534
Company pension contributions to defined contribution schemes	18,000	6,000
	<u>300,917</u>	<u>229,534</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	<u>152,917</u>	<u>148,534</u>

8 Finance costs

	2022 £	2021 £
Interest on shareholders loan	81,629	75,583
Interest on convertible loan notes	15,295	-
Interest on directors loan	14,614	20,857
Interest on Invoice discounting facility	<u>424,990</u>	<u>410,106</u>

9 Taxation

EASY NEWCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
(Loss)/profit before taxation	(316,183)	1,356,589
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(60,075)	257,752
Tax effect of expenses that are not deductible in determining taxable profit	104,587	-
Unutilised tax losses carried forward	293,649	37,023
Effects of capital allowances and depreciation	(338,161)	(294,775)
Taxation charge	-	-

10 Dividends

	2022 £	2021 £
Recognised as distributions to equity holders:		
Final paid	-	200,000

11 Intangible fixed assets

Group	Goodwill £	Patents & licences £	Total £
Cost			
At 1 April 2021	118,095	4,179,639	4,297,734
Additions	-	33,287	33,287
At 31 March 2022	118,095	4,212,926	4,331,021
Amortisation and impairment			
At 1 April 2021	47,236	3,326,669	3,373,905
Amortisation charged for the year	11,809	49,837	61,646
At 31 March 2022	59,045	3,376,506	3,435,551
Carrying amount			
At 31 March 2022	59,050	836,420	895,470
At 31 March 2021	70,859	852,970	923,829

EASY NEWCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

11 Intangible fixed assets (Continued)

Company	Patents & licences £
Cost	
At 1 April 2021 and 31 March 2022	500,000
Amortisation and impairment	
At 1 April 2021	100,000
Amortisation charged for the year	25,000
At 31 March 2022	125,000
Carrying amount	
At 31 March 2022	375,000
At 31 March 2021	400,000

12 Property, plant and equipment

Group	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 April 2021	5,467,951	43,343,510	4,033,491	52,844,952
Additions	26,599	301,830	10,560	338,989
At 31 March 2022	5,494,550	43,645,340	4,044,051	53,183,941
Depreciation and impairment				
At 1 April 2021	4,391,694	39,350,979	3,982,304	47,724,977
Depreciation charged in the year	148,327	394,869	7,263	550,459
At 31 March 2022	4,540,021	39,745,848	3,989,567	48,275,436
Carrying amount				
At 31 March 2022	954,529	3,899,492	54,484	4,908,505
At 31 March 2021	1,076,257	3,992,531	51,187	5,119,975

The company had no property, plant and equipment at 31 March 2022 or 31 March 2021.

EASY NEWCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

13 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	14	-	-	321,292	321,292
Movements in non-current investments					
Company					Shares in subsidiaries £
Cost or valuation					
At 1 April 2021 and 31 March 2022					321,292
Carrying amount					
At 31 March 2022					321,292
At 31 March 2021					321,292

14 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Easy Cleaning Solutions Limited	United Kingdom	Ordinary	100.00

15 Inventories

	Group 2022 £	2021 £	Company 2022 £	2021 £
Raw materials and consumables	3,729,192	2,560,601	-	-
Work in progress	161,293	250,108	-	-
Finished goods and goods for resale	3,429,130	2,969,143	-	-
	7,319,615	5,779,852	-	-

The inventory balances above are net of a £467,592 (2021: £1,020,324) provision due to slow moving and obsolete inventories.

EASY NEWCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

16 Trade and other receivables

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Amounts falling due within one year:				
Trade receivables	9,991,644	8,667,854	-	-
Amounts owed by group undertakings	-	-	836,552	622,541
Other receivables	595,637	192,795	-	-
Prepayments and accrued income	257,567	605,500	-	-
	<u>10,844,848</u>	<u>9,466,149</u>	<u>836,552</u>	<u>622,541</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

17 Current liabilities

		Group 2022	2021	Company 2022	2021
	Notes	£	£	£	£
Invoice discounting	19	10,634,997	8,739,886	-	-
Obligations under finance leases	20	-	24,507	-	-
Trade payables		10,087,351	8,823,276	-	-
Other taxation and social security		335,444	901,963	-	-
Other payables		155,089	244,100	155,089	208,964
Accruals and deferred income		223,269	233,199	17,295	62,000
		<u>21,436,150</u>	<u>18,966,931</u>	<u>172,384</u>	<u>270,964</u>

18 Non-current liabilities

		Group 2022	2021	Company 2022	2021
	Notes	£	£	£	£
Debenture loans	19	1,101,996	1,020,367	1,101,996	1,020,367
Convertible loans	21	500,000	-	500,000	-
Bank loans and overdrafts	19	226,666	453,333	-	-
		<u>1,828,662</u>	<u>1,473,700</u>	<u>1,601,996</u>	<u>1,020,367</u>

EASY NEWCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

19 Borrowings

	Group 2022 £	2021 £	Company 2022 £	2021 £
Debenture loans	1,101,996	1,020,367	1,101,996	1,020,367
Bank loans	453,333	680,000	-	-
Invoice discounting	10,408,330	8,513,219	-	-
	<u>11,963,659</u>	<u>10,213,586</u>	<u>1,101,996</u>	<u>1,020,367</u>
Payable within one year	10,634,997	8,739,886	-	-
Payable after one year	<u>1,328,662</u>	<u>1,473,700</u>	<u>1,101,996</u>	<u>1,020,367</u>

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

Debenture loans are unsecured, interest is charged at 8% and repayable on 31 March 2029.

Bank loan is repayable on 31 March 2024.

20 Finance lease obligations

	Group 2022 £	2021 £	Company 2022 £	2021 £
Future minimum lease payments due under finance leases:				
Within one year	<u>-</u>	<u>24,507</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

21 Convertible loan notes

	Group 2022 £	2021 £	Company 2022 £	2021 £
Liability component of convertible loan notes	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>-</u>

The liability component is measured at amortised cost, and the difference between the carrying amount of the liability at the date of issue and the amount reported in the Statement Of Financial Position represents the effective interest rate less interest paid to that date.

The effective rate of interest is 3.5% over Bank of England base rate. The convertible loan expires on 15th May 2028.

EASY NEWCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

21 Convertible loan notes

(Continued)

The equity component of the convertible loan notes has been credited to the equity reserve.

22 Share capital

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of 0.1p each	1,000	1,000	1	1

23 Reserves

Retained earnings

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

24 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Within one year	787,500	787,500	-	-
Between two and five years	3,307,500	4,095,000	-	-
	4,095,000	4,882,500	-	-

25 Related party transactions

During the year dividends on equity shares of £Nil (2021: £200,000) were paid to the directors who are also shareholders of the company.

The company's other related party transactions were with wholly owned subsidiaries.

EASY NEWCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

26 Cash (absorbed by)/generated from group operations

	2022 £	2021 £
(Loss)/profit for the year after tax	(316,183)	1,356,589
Adjustments for:		
Finance costs	776,080	670,359
Gain on disposal of intangible assets	-	(500,000)
Amortisation and impairment of intangible assets	61,646	140,074
Depreciation and impairment of property, plant and equipment	550,459	649,325
Decrease in provisions	(15,295)	-
Movements in working capital:		
Increase in inventories	(1,539,764)	(765,932)
(Increase)/decrease in trade and other receivables	(1,378,699)	1,860,234
Increase/(decrease) in trade and other payables	598,615	(868,883)
Cash (absorbed by)/generated from operations	(1,263,141)	2,541,766

27 Analysis of changes in net debt - group

	1 April 2021 £	Cash flows £	31 March 2022 £
Cash at bank and in hand	769,726	(170,635)	599,091
Bank overdrafts	(8,513,219)	(1,895,111)	(10,408,330)
	(7,743,493)	(2,065,746)	(9,809,239)
Borrowings excluding overdrafts	(1,700,367)	145,038	(1,555,329)
Obligations under finance leases	(24,507)	24,507	-
Convertible loan notes	-	(500,000)	(500,000)
	(9,468,367)	(2,396,201)	(11,864,568)

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.