



ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020



CLEAN TOPCO LIMITED

COMPANY INFORMATION

Directors	Mr G S J Thomas Mr J H Maltz Mr T M H North Mr H N Pade Mr N D Templeton Ward
Registered number	11844792
Registered office	Suite 1 1175 Century Way Thorpe Park Leeds LS15 8ZB
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor No 1 Whitehall Riverside Leeds West Yorkshire LS1 4BN

CLEAN TOPCO LIMITED

CONTENTS

	Page
Group strategic report	1 - 3
Directors' report	4 - 6
Independent auditor's report	7 - 10
Consolidated statement of comprehensive income	11
Consolidated balance sheet	12
Company balance sheet	13
Consolidated statement of changes in equity	14
Company statement of changes in equity	15
Consolidated Statement of cash flows	16 - 17
Analysis of net debt	18
Notes to the financial statements	19 - 44

CLEAN TOPCO LIMITED

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

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

Fair review of the business

The principal activity of the group is the manufacture and sale of household cleaning and laundry care products.

On 10 July 2019 the group acquired Star Brands (Holdings) Limited and its subsidiaries namely Star Brands Limited, Square Venture Limited (dormant) and Star Brands Direct Limited (dormant).

As at 31 August 2020, Star Brands Limited, the main trading entity for the Group, held net assets of £5,669,257 (2019: £3,950,594). Sales turnover for the Group was £41,321,720 (2019: £6,693,506)

The increase in sales turnover was driven by a mixture of retailer private label and owned brands and across a broad mix of product and customer ranges within the Household and Laundry categories. The Company's own brand 'The Pink Stuff' delivered particularly strong growth in the year with turnover of £7,601,672 (2019: £1,605,156), on the back of increases in distribution of core Paste and Trigger Spray Household products.

Star Brands Limited, the main trading entity for the Group, will continue to trade in its existing markets and will look for, and take advantage of, the correct opportunities to increase its turnover and profitability.

Principal risks and uncertainties

Raw material and wage inflation up to and after the balance sheet date are a constant concern for the directors and changes are closely monitored. Customer service levels are also of key importance. Increasing the number of approved suppliers in all areas to provide alternative sources and where feasible re-development of formulations has helped to mitigate any increases and ensure continuity of supply.

The group is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The group also undertakes sales and purchases in foreign currencies which exposes it to foreign exchange rate risk. Apart from utilising foreign currency bank accounts the group does not use any hedging techniques and accordingly, assumes all associated risk of foreign currency fluctuations, although due to the minimal values involved, this risk is deemed to be very low.

In January 2020, the UK left the European Union, and entered into a transitional arrangement whereby the UK will continue to operate under EU laws until December 31st 2020. Now that an agreement has been reached with the EU, some certainty has been established in terms of import and export arrangements, and the business has put in place systems and processes to deal with the changes necessary.

In March 2020, the Covid 19 pandemic took hold, creating significant uncertainty in both the short and long-term outlook for the global economy. Within the UK, the business has been classified as a key service, producing, processing and selling key goods (i.e. hygiene materials), and therefore continues to operate during the 'lockdown' periods. While the business has been affected to a limited degree in terms of raw material supply, and employee availability, demand continues to be strong, and the business continues to operate as normally as possible under the current government guidelines. Whilst there is still much uncertainty around the long term impact of this pandemic, particularly around global supply chains, the business believes it is well placed to withstand any significant negative impacts.

CLEAN TOPCO LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Development and performance

The operating profit for the year was £2,732,744, up from last year's operating loss of £685,096, primarily due to the increase in sales volume.

Given the current economic climate and pressures for trading the directors are satisfied with the financial results.

As in previous years there has been an ongoing investment program to meet customer needs and ensure the business and its manufacturing facilities are well placed to deliver future development opportunities.

Key performance indicators

Along with turnover, gross profit margin 29.9% (2019: 32.1%), operating profit £2,732,744 (2019: operating loss £685,096) and net assets £297,712 (2019: net liabilities £531,239) are the key indicators of performance.

Gross profit margins remained reasonably stable compared to the prior year, despite some increases in raw material pricing and production costs seen during this financial year, reflective of the business making every effort to maintain and grow operating margins.

The key performance indicators ('KPIs') for the group are in line with the KPIs of the group's main trading subsidiary, Star Brands Limited and include turnover growth, operating margin growth and the conversion of operating profits into cash. These are monitored through monthly reporting to the board.

Section 172(1) statement

The Star Brands group of companies works closely with customers, suppliers, employees and the wider society to ensure that the companies acts fairly to all stakeholders.

The strategic management and decisions that impact the group companies long term on a material basis are undertaken by the management team, which comprises of the directors of the companies, Board members, and other members of the senior team. The directors' primary focus is to create long term value for the shareholder, whilst also ensuring fair treatment of all stakeholders.

During 2020 the group companies have experienced the impact of the Covid-19 pandemic on the retail market. The management team have ensured continuous engagement with customers, supplier and employees and developed business plans to ensure the continued success of the companies. The group companies are well placed to withstand future changes in the industry, including investment made into automation.

Employee Engagement

The group is committed to the creation of a highly effective workforce. Engaged employees are more loyal, more productive, and more likely to contribute their ideas to improve our business. Engagement is founded on trust. All colleagues must believe in the integrity of leaders and believe that they are trusted by them. Understanding creates an alignment between the colleague and the business objectives.

All leaders within our business are developed and coached in how to develop a participative leadership style, creating high performance teams, focusing on personal development, and offering support where required. Keys are the inclusion of modules on Health, Safety and Environment and Corporate Social Responsibility.

Similarly, we invest extensively in education and skills training to enable colleagues, giving them a comprehensive understanding of their roles. This is supported by internal communications including newsletters and team briefs, among others to maximise understanding of the wider workplace.

Each year an independent opinion survey is conducted to measure our progress and the most recent survey conducted in October 2020 demonstrated significant improvements in a challenging business environment. These employee opinion surveys also give us the opportunity to identify opportunities for further improvements.

CLEAN TOPCO LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Tools such as confidential whistleblower processes exist so cultural and other concerns can be confidentially raised.

Customer and Supplier Engagement

Our relationship with our customers is one of the key areas to the long-term success of our business. The group has a sales team who are in constant contact with our customers ensuring a transparent relationship. This creates an open forum where issues can be discussed in a timely manner and we can ensure the needs of our customers are met. Escalation processes are in place with our customers so that issues can be directed accordingly and resolved quickly.

In addition to the strong customer relationships held with our sales team, our other departments have direct contact with the customer's respective departments, including new product development, technical and finance. We aim to manufacture and supply high quality products and work with our customers to develop and improve processes.

The group also has a central purchasing team who regularly liaise with all suppliers (regardless of size) to ensure that any issues are addressed, and adequate actions put in place where required. Our relationship with suppliers is on a two-way basis and suppliers feel comfortable contacting us with any issues they have. We have internal and external escalation procedures in place which ensures that any repeat issues are dealt with as priority. We strive to maintain strong relationships with our suppliers.

Other Stakeholder Engagement

The management team ensures that all regulatory obligations are met, including environmental and tax reporting requirements.

The relationship with banking institutions, HMRC and insurers is managed by the group finance team. The relationships are maintained with regular discussions and feedback to ensure that the right facilities are in place to support the business.

As a manufacturing operation the companies in the group work with local communities and the Environment Agency to ensure that we are not causing disruption or other issues to our surrounding area. The companies strives to operate as responsible members in the community and work to reduce any adverse impacts, such as noise. The companies regularly undertake projects to support local areas. These include litter picking, food bank collections and charity fundraising activities. The group companies also work hard to ensure that the companies operate with limited environmental impact. The group companies continuously work to reduce scrap materials and recycle waste where possible.

Acting fairly between members

The UK group companies, including this company, are 100% owned by members of the senior management team, and our investor

This report was approved by the board on 28 January 2021 and signed on its behalf.

G S Thomas

Mr G S J Thomas
Director

CLEAN TOPCO LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

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

Principal activity

The principal activity of the company is a holding company to the group's subsidiaries.

The principal activity of the group is that of the manufacture and sale of household cleaning and laundry products.

Results and dividends

The profit for the year, after taxation, amounted to £828,951 (2019 - loss £656,239).

The directors did not recommend the payment of dividend in the year (2019: £Nil).

Matters covered within the Strategic report

For the directors' statement of compliance with duty to promote the success of the group refer to Section 172(1) statement included within the Strategic report.

For details of future developments refer to Development and performance within the Strategic report.

Directors

The directors who served during the year were:

Mr G S J Thomas
Mr J H Maltz
Mr T M H North
Mr H N Pade
Mr N D Templeton Ward

CLEAN TOPCO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Post balance sheet events

During December 2020, the group entered into a facility arrangement with Barclays Bank plc., to fund £5m of new borrowings (re-payable in December 2024). The new debt facility was used to repay £5m of Mobeus Equity Partners LLP and management loan notes, which were due for repayment by July 2024, with the view of reducing the group's ongoing finance cost.

Disclosure of information to auditor

The directors confirm that:

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

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

CLEAN TOPCO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

This report was approved by the board on 28 January 2021 and signed on its behalf.

G S Thomas

Mr G S J Thomas
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLEAN TOPCO LIMITED

Opinion

We have audited the financial statements of Clean Topco Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 August 2020, which comprise the Consolidated Statement of comprehensive income, the Consolidated and company Balance sheets, the Consolidated Statement of cash flows, the Consolidated and company Statement of changes in equity and the Consolidated Analysis of net debt and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 August 2020 and of the group's profit 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 the 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's or the parent company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the group's or the parent company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLEAN TOPCO LIMITED (CONTINUED)

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.

In our evaluation of the directors' conclusions, we considered the risks associated with the group's or the parent company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the group's or the parent company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this Auditor's report is not a guarantee that the group and the parent company will continue in operation.

Other information

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

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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLEAN TOPCO LIMITED (CONTINUED)

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 Group 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 Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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 Group strategic report or the Directors' report.

Matters on which we are required to report by exception

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 for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 5, 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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLEAN TOPCO LIMITED (CONTINUED)

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.

Grant Thornton UK LLP

Victoria McLoughlin BA FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds
Date: 28 January 2021

CLEAN TOPCO LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020 £	2019 £
Turnover	4	41,321,720	6,693,506
Cost of sales		(28,958,735)	(4,543,736)
Gross profit		12,362,985	2,149,770
Distribution costs		(3,811,170)	(644,328)
Administrative expenses		(5,819,071)	(2,190,538)
Operating profit/(loss)		2,732,744	(685,096)
Interest payable and expenses	9	(1,314,950)	(179,649)
Profit/(loss) before taxation		1,417,794	(864,745)
Tax on profit/(loss)	10	(588,843)	208,506
Profit/(loss) for the financial year		828,951	(656,239)
Total comprehensive income for the year		828,951	(656,239)
Profit/(loss) for the year attributable to:			
Owners of the parent company		828,951	(656,239)
		828,951	(656,239)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The notes on pages 19 to 44 form part of these financial statements.

CLEAN TOPCO LIMITED
REGISTERED NUMBER:11844792

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	11	8,738,807	9,020,283
Tangible assets	12	2,476,081	2,244,456
		<u>11,214,888</u>	<u>11,264,739</u>
Current assets			
Stocks	14	4,383,477	3,665,639
Debtors: amounts falling due within one year	15	8,526,830	6,657,205
Cash at bank and in hand	16	100,811	91,975
		<u>13,011,118</u>	<u>10,414,819</u>
Creditors: amounts falling due within one year	17	(13,254,808)	(9,375,943)
Net current (liabilities)/assets		<u>(243,690)</u>	<u>1,038,876</u>
Total assets less current liabilities		<u>10,971,198</u>	<u>12,303,615</u>
Creditors: amounts falling due after more than one year	18	(10,403,820)	(12,620,854)
Provisions for liabilities			
Deferred taxation	22	(269,666)	(214,000)
		<u>(269,666)</u>	<u>(214,000)</u>
Net assets/(liabilities)		<u><u>297,712</u></u>	<u><u>(531,239)</u></u>
Capital and reserves			
Called up share capital	23	1,000	1,000
Share premium account	24	124,000	124,000
Profit and loss account	24	172,712	(656,239)
		<u>297,712</u>	<u>(531,239)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 January 2021.

G S Thomas

Mr G S J Thomas
Director

The notes on pages 19 to 44 form part of these financial statements.

CLEAN TOPCO LIMITED
REGISTERED NUMBER:11844792

COMPANY BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	13	95,165	95,165
		<u>95,165</u>	<u>95,165</u>
Current assets			
Debtors: amounts falling due within one year	15	722,835	722,835
		<u>722,835</u>	<u>722,835</u>
Creditors: amounts falling due within one year	17	(104,240)	(13,343)
		<u>618,595</u>	<u>709,492</u>
Net current assets		<u>618,595</u>	<u>709,492</u>
Total assets less current liabilities		<u>713,760</u>	<u>804,657</u>
Creditors: amounts falling due after more than one year	18	(693,000)	(693,000)
		<u>20,760</u>	<u>111,657</u>
Net assets		<u>20,760</u>	<u>111,657</u>
Capital and reserves			
Called up share capital	23	1,000	1,000
Share premium account	24	124,000	124,000
Profit and loss account brought forward		(13,343)	
Loss for the year		(90,897)	(13,343)
Profit and loss account carried forward		(104,240)	(13,343)
		<u>20,760</u>	<u>111,657</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £99,897 (2019: £13,343).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 January 2021.

G S Thomas

Mr G S J Thomas
 Director

The notes on pages 19 to 44 form part of these financial statements.

CLEAN TOPCO LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2020**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 September 2019	1,000	124,000	(656,239)	(531,239)
Comprehensive income for the year				
Profit for the year	-	-	828,951	828,951
Total comprehensive income for the year	-	-	828,951	828,951
Total transactions with owners	-	-	-	-
At 31 August 2020	1,000	124,000	172,712	297,712

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

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
Comprehensive income for the year				
Loss for the year	-	-	(656,239)	(656,239)
Total comprehensive income for the year	-	-	(656,239)	(656,239)
Shares issued during the year	1,000	124,000	-	125,000
Total transactions with owners	1,000	124,000	-	125,000
At 31 August 2019	1,000	124,000	(656,239)	(531,239)

The notes on pages 19 to 44 form part of these financial statements.

CLEAN TOPCO LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2020**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 September 2019	1,000	124,000	(13,343)	111,657
Comprehensive income for the year				
Loss for the year	-	-	(90,897)	(90,897)
Total comprehensive income for the year	-	-	(90,897)	(90,897)
Total transactions with owners	-	-	-	-
At 31 August 2020	1,000	124,000	(104,240)	20,760

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

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
Comprehensive income for the year				
Loss for the year	-	-	(13,343)	(13,343)
Total comprehensive income for the year	-	-	(13,343)	(13,343)
Shares issued during the year	1,000	124,000	-	125,000
Total transactions with owners	1,000	124,000	-	125,000
At 31 August 2019	1,000	124,000	(13,343)	111,657

The notes on pages 19 to 44 form part of these financial statements.

CLEAN TOPCO LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020**

	2020	2019
	£	(restated) £
Cash flows from operating activities		
Profit/(loss) for the financial year	828,951	(656,239)
Adjustments for:		
Amortisation of intangible assets	461,295	154,836
Depreciation of tangible assets	423,711	65,918
Loss on disposal of tangible assets	-	13,253
Interest paid	1,314,950	(179,649)
Interest received	-	179,649
Taxation charge	588,843	(208,506)
(Increase) in stocks	(717,838)	(71,863)
(Increase) in debtors	(1,869,625)	(1,060,346)
Increase in creditors	1,596,880	515,917
Corporation tax (paid)/received	(80,304)	-
Loss on disposal of intangible assets	-	5,496
Net cash generated from operating activities	2,546,863	(1,241,534)
Cash flows from investing activities		
Purchase of intangible fixed assets	(179,819)	-
Purchase of tangible fixed assets	(655,337)	(167,299)
Sale of tangible fixed assets	-	5,077
HP interest paid	(24,679)	-
Purchase of business (net of cash acquired)	-	(12,636,492)
Net cash from investing activities	(859,835)	(12,798,714)

CLEAN TOPCO LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

	2020 £	2019 £
Cash flows from financing activities		
Issue of ordinary shares	-	125,000
Movement on invoice discounting	1,819,040	1,852,694
Repayment of other loans	(1,976,135)	-
Repayment of/new finance leases	(230,826)	(38,471)
Interest paid	(1,290,271)	-
Proceeds from borrowings	-	12,193,000
Net cash used in financing activities	(1,678,192)	14,132,223
Net increase in cash and cash equivalents	8,836	91,975
Cash and cash equivalents at beginning of year	91,975	-
Cash and cash equivalents at the end of year	100,811	91,975
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	100,811	91,975
	100,811	91,975

The prior year cash flow statement has been restated to reclassify the invoice discounting facility from cash and cash equivalents to cash flows from financing activities.

The notes on pages 19 to 44 form part of these financial statements.

Further details of the restatement to cash and cash equivalents can be found in note 16.

CLEAN TOPCO LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 AUGUST 2020**

	At 1 September 2019 £	Cash flows £	Other non- cash changes £	At 31 August 2020 £
Cash at bank and in hand	91,975	8,836	-	100,811
Debt due after 1 year	(12,193,000)	1,976,135	-	(10,216,865)
Debt due within 1 year	(1,852,694)	(1,819,040)	-	(3,671,734)
Finance leases	(679,711)	230,826	21,226	(427,659)
	<u>(14,633,430)</u>	<u>396,757</u>	<u>21,226</u>	<u>(14,215,447)</u>

The notes on pages 19 to 44 form part of these financial statements.

CLEAN TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. General information

Clean Topco Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at Suite 1, 1175 Century Way Thorpe park, Leeds, LS15 8ZB.

The group consists of Clean Topco Limited and all of its subsidiaries.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

CLEAN TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Accounting policies (continued)

2.3 Going concern

The directors have considered forecasts covering the period to 31 August 2022. During December 2020, the group entered into a facility arrangement with Barclays Bank plc. for £5m (re-payable in December 2024). The new debt facility was used to repay £5m of Mobeus Equity Partners LLP and management loan notes, which were due for repayment by July 2024, with the view of reducing the group's ongoing finance cost. The group financing arrangements now include an invoice discounting facility in place of £6.5m, bank debt of £5m repayable by December 2024, and loan notes of £4.5m repayable by July 2024.

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The recent developments in the coronavirus COVID-19 pandemic has meant production will run below full capacity in the forthcoming months albeit still fully operational given that the production of cleaning products fits within the key worker category. The directors have considered and modelled the effects of a reduction in turnover on both profitability and cashflow and are confident that the group can continue to operate within its facilities and covenants, and service liabilities as they fall due.

The directors are also aware of potential government assistance in the form of interest free loans and support for payroll costs, neither of which have currently been modelled, so would act as further upside potential if required.

2.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for the sale of leathercare, household cleaning and laundry products 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 delivery 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.

CLEAN TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Accounting policies (continued)

2.5 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 balance sheet 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.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 Pensions

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the group in independently administered funds.

CLEAN TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

CLEAN TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Accounting policies (continued)**2.11 Intangible 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 between 10 to 20 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.

Other intangible assets

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.

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:

Software	-	33% straight line
----------	---	-------------------

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

CLEAN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.12 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 10-20%
Fixtures and fittings	- 33%
Office equipment	-
Computer equipment	- 33%
Tooling	- 20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

CLEAN TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Accounting policies (continued)

2.14 Impairment of fixed 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.

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.

2.15 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.16 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

CLEAN TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Accounting policies (continued)

2.17 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.

2.18 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.19 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 balance sheet 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 debtors 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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.

CLEAN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.19 Financial instruments (continued)

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 creditors, 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 creditors 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

2.20 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.

CLEAN TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

3. Judgements in applying accounting policies 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.

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.

Depreciation

The depreciation policy has been set according to management's experience of the useful lives of a typical asset in each category, something which is reviewed annually. It is not considered practical to use a per unit basis to allocate depreciation without undue cost and therefore amounts are charged annually. The depreciation charged during the year was £423,712 which the directors feel is a fair reflection of the benefits derived from the consumption of the tangible fixed assets in use during the period.

Goodwill and intangible assets

The group reviews goodwill for impairment by evaluation of cash-generating units to which goodwill has been allocated, at least annually, including an assessment of the useful economic lives of intangible assets.

The preparation of forecasts including Covid-19 sensitivities and assumptions, which form the basis of management's impairment review, requires the use of judgement.

Bad debt provision

Outstanding trade debtor balances are reviewed on a line by line basis by management to identify possible amounts where a provision is required. Management closely manage the collection of trade debtors and are therefore able to identify balances where there is uncertainty about its recoverability, and determine what provision is required (if any). Note 15 provides details of the carrying value of trade debtors.

Stock provision

Stocks are valued at the lower cost and net realisable value. New realisable value includes, where necessary, provisions for slow moving and obsolete stocks. Calculation of these provisions requires judgements to be made, which include forecast consumer demand, the promotional, competitive and economic environment and inventory loss trends. Note 14 provides details of the carrying value of stock.

CLEAN TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Household	17,934,672	2,886,299
Laundry	23,973,792	3,853,736
Discounts and rebates	(677,563)	(61,031)
Other	90,819	14,502
	<u>41,321,720</u>	<u>6,693,506</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	38,278,074	6,138,103
Rest of Europe	2,675,408	468,858
Rest of the world	368,238	86,545
	<u>41,321,720</u>	<u>6,693,506</u>

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2020 £	2019 £
Depreciation of owned tangible fixed assets	281,732	42,255
Depreciation of tangible fixed assets held under finance leases	141,980	23,663
Loss on disposal of tangible fixed assets	-	13,253
Amortisation of intangible assets	461,295	154,836
Loss on disposal of intangible assets	-	5,496
	<u>-</u>	<u>5,496</u>

CLEAN TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

6. Auditor's remuneration

	2020 £	2019 £
Fees payable to the group's auditor and its associates:		
For the audit of the group's annual financial statements	5,000	1,500
For the audit of the subsidiaries annual financial statements	27,000	15,200
	32,000	16,700
 Fees payable to the group's auditor and its associates in respect of:		
Taxation compliance services	8,500	6,850
All other non-audit services	4,000	8,600
	12,500	15,450

7. Employees

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

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	4,002,656	562,404	-	-
Social security costs	386,392	54,506	-	-
Cost of defined contribution scheme	229,093	29,475	-	-
	4,618,141	646,385	-	-

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

	2020 No.	2019 No.
Directors	5	4
Production	108	82
Administrative	36	36
	149	122

The company has no employees other than the directors, who did not receive any remuneration (2019: £Nil).

CLEAN TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	433,710	186,197
Company contributions to defined contribution pension schemes	36,555	1,238
	<u>470,265</u>	<u>187,435</u>

During the year retirement benefits were accruing to 3 directors (2019: 3) in respect of defined contribution pension schemes.

Of the directors' remuneration shown above, emoluments of £171,470 and company contributions to money purchase pension schemes of £29,976 were made to the highest paid director.

9. Interest payable and similar expenses

	2020 £	2019 £
Interest on invoice finance arrangements	36,190	5,853
Other interest on financial liabilities	1,254,081	170,258
Interest on finance leases and hire purchase contracts	24,679	3,538
	<u>1,314,950</u>	<u>179,649</u>

CLEAN TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	452,003	(216,766)
Adjustments in respect of previous periods	81,174	(240)
	<u>533,177</u>	<u>(217,006)</u>
Total current tax	<u>533,177</u>	<u>(217,006)</u>
Deferred tax		
Origination and reversal of timing differences	32,475	8,500
Adjustments in respect of prior periods	(1,986)	-
Effect of tax rate change on opening balance	25,177	-
Total deferred tax	<u>55,666</u>	<u>8,500</u>
Taxation on profit/(loss) on ordinary activities	<u>588,843</u>	<u>(208,506)</u>

CLEAN TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit/(loss) on ordinary activities before tax	<u>1,417,794</u>	<u>(864,745)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	269,381	(164,302)
Effects of:		
Tax effect of expenses that are not deductible in determining taxable profit	216,025	16,326
Permanent capital allowances in excess of depreciation	-	28,431
Fixed asset differences	9,480	-
Adjustments to tax charge in respect of prior periods	79,188	-
Change in unrecognised deferred tax assets	(10,174)	205,247
Remeasurement of deferred tax for changes in tax rates	24,943	-
Research and development tax credit	-	(14,752)
Other permanent differences	-	(219,953)
Other	-	(59,503)
Total tax charge for the year	<u><u>588,843</u></u>	<u><u>(208,506)</u></u>

CLEAN TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

11. Intangible assets**Group and Company**

	Goodwill £	Software £	Intangible assets under development £	Total £
Cost				
At 1 September 2019	9,170,342	40,846	-	9,211,188
Additions	-	-	179,819	179,819
Disposals	-	(34,596)	-	(34,596)
At 31 August 2020	<u>9,170,342</u>	<u>6,250</u>	<u>179,819</u>	<u>9,356,411</u>
Amortisation				
At 1 September 2019	152,837	38,068	-	190,905
Charge for the year on owned assets	458,517	-2,778	-	461,295
On disposals	-	(34,596)	-	(34,596)
At 31 August 2020	<u>611,354</u>	<u>6,250</u>	<u>-</u>	<u>617,604</u>
Net book value				
At 31 August 2020	<u>8,558,988</u>	<u>-</u>	<u>179,819</u>	<u>8,738,807</u>
At 31 August 2019	<u>9,017,505</u>	<u>2,778</u>	<u>-</u>	<u>9,020,283</u>

Amortisation on intangible assets is charged to admin expenses.

CLEAN TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

12. Tangible fixed assets**Group**

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Other fixed assets £	Assets under construction £	Total £
Cost or valuation						
At 1 September 2019	4,125,283	93,256	282,254	740,485	82,221	5,323,499
Brought forward adjustment	(394,312)	(63,413)	(146,956)	(227,870)	-	(832,551)
Additions	293,002	50,806	84,336	10,579	216,614	655,337
At 31 August 2020	<u>4,023,973</u>	<u>80,649</u>	<u>219,634</u>	<u>523,194</u>	<u>298,835</u>	<u>5,146,285</u>
Depreciation						
At 1 September 2019	2,090,385	91,898	244,383	652,377	-	3,079,043
Brought forward adjustment	(415,713)	(63,413)	(146,956)	(206,469)	-	(832,551)
Charge for the year on financed assets	368,426	1,448	24,740	29,098	-	423,712
At 31 August 2020	<u>2,043,098</u>	<u>29,933</u>	<u>122,167</u>	<u>475,006</u>	<u>-</u>	<u>2,670,204</u>
Net book value						
At 31 August 2020	<u>1,980,875</u>	<u>50,716</u>	<u>97,467</u>	<u>48,188</u>	<u>298,835</u>	<u>2,476,081</u>
At 31 August 2019	<u>2,034,898</u>	<u>1,358</u>	<u>37,871</u>	<u>88,108</u>	<u>82,221</u>	<u>2,244,456</u>

The brought forward adjustment relates to fully depreciated assets still in use which were incorrectly classified as disposals at nil net book value in the prior year.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Plant and machinery	<u>954,441</u>	<u>1,015,519</u>

CLEAN TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

13. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost or valuation	
At 1 September 2019	95,165
At 31 August 2020	95,165
Net book value	
At 31 August 2020	95,165
<i>At 31 August 2019</i>	95,165

Direct subsidiary undertaking

The following was a direct subsidiary undertaking of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Clean Midco Limited	Suite 1, 1175 Century Way Thorpe Park, Leeds, LS15 8ZB	Holding company	Ordinary	100%

CLEAN TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

13. Fixed asset investments (continued)

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Clean Bidco Limited	Suite 1, 1175 Century Way Thorpe Park, Leeds, LS15 8ZB	Holding company	Ordinary	100%
Star Brands (Holdings) Limited	Suite 1, 1175 Century Way Thorpe Park, Leeds, LS15 8ZB	Holding company	Ordinary	100%
Star Brands Limited	Suite 1, 1175 Century Way Thorpe Park, Leeds, LS15 8ZB	Production and sale of household cleaning and laundry products	Ordinary	100%
Star Brands Direct Limited	Suite 1, 1175 Century Way Thorpe Park, Leeds, LS15 8ZB	Dormant	Ordinary	100%
Square Venture Limited	Suite 1, 1175 Century Way Thorpe Park, Leeds, LS15 8ZB	Dormant	Ordinary	100%

14. Stocks

	Group 2020 £	Group 2019 £
Raw materials and consumables	2,021,590	1,652,761
Finished goods and goods for resale	2,361,887	2,012,878
	<u>4,383,477</u>	<u>3,665,639</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

CLEAN TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

15. Debtors

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Trade debtors	7,492,349	6,120,886	-	-
Amounts owed by group undertakings	-	-	722,835	722,835
Other debtors	897,452	116,203	-	-
Prepayments and accrued income	137,029	420,116	-	-
	<u>8,526,830</u>	<u>6,657,205</u>	<u>722,835</u>	<u>722,835</u>

16. Cash and cash equivalents

	Group 2020 £	<i>Group 2019 (restated) £</i>
Cash at bank and in hand	100,811	91,975
	<u>100,811</u>	<u>91,975</u>

Cash and cash equivalents have been restated from (£1,760,719) to £91,975 due to reclassification of the invoice discounting facility to a financing arrangement. This reclassification has not impacted net assets or current assets, however the prior year cash flow statement has been restated.

17. Creditors: Amounts falling due within one year

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Invoice discounting facility	3,671,734	1,852,694	-	-
Trade creditors	4,874,398	5,453,497	-	-
Amounts owed to group undertakings	-	-	76,787	-
Corporation tax payable	503,609	50,737	-	-
Other taxation and social security	814,332	624,933	3,588	-
Obligations under finance lease and hire purchase contracts (Note 20)	216,839	230,631	-	-
Other creditors	65,000	38,056	-	-
Accruals and deferred income	3,108,896	1,125,395	23,865	13,343
	<u>13,254,808</u>	<u>9,375,943</u>	<u>104,240</u>	<u>13,343</u>

CLEAN TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Other loans	10,193,000	12,193,000	693,000	693,000
Net obligations under finance leases and hire purchase contracts (Note 20)	210,820	427,854	-	-
	<u>10,403,820</u>	<u>12,620,854</u>	<u>693,000</u>	<u>693,000</u>

CLEAN TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. Loans

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Amounts falling due within one year				
Invoice discounting facility	3,671,734	<i>1,852,694</i>	-	-
Amounts falling due 2-5 years				
Other loans	10,193,000	<i>12,193,000</i>	693,000	<i>693,000</i>
	<u>13,864,734</u>	<i><u>14,045,694</u></i>	<u>693,000</u>	<i><u>693,000</u></i>

The bank finance is secured by fixed and floating charges over the assets of the company, along with a cross-company guarantee with between subsidiary Star Brands (Holdings) Limited, and subsidiary Star Brands Direct Limited.

The invoice discounting facility and finance lease obligations are secured over the assets to which they relate.

The other loans relate to loan notes held in the company and subsidiary Clean Midco Limited.

At the balance sheet date, £693,000 relates to loan notes held in the company. These are secured by fixed and floating charges over the assets of the company.

Interest is payable in arrears quarterly on 28th February, 31st May, 31st August and 30th November each year. 10% interest shall be payable in cash and 3% rolling interest shall accrue and compound with the principal amount of the loan notes. The total balance is due for payment in July 2024.

At the balance sheet date, £9,500,000 relates to loan notes held in subsidiary Clean Midco Limited. These are secured by fixed and floating charges over the assets of the company. The balance is split as follows:

Mobeus A Loan Note where interest is payable at a rate of 4% + 1% LIBOR, in cash, in arrears quarterly on 28th February, 31st May, 31st August and 30th November each year.

Mobeus B Loan Note 7,500,000 where 10% interest is payable in cash and 3% rolling interest shall accrue and compound with the principle amount of the Loan Notes. Interest is payable in arrears quarterly on 28th February, 31st May, 31st August and 30th November each year.

The total balance is due for payment in July 2024.

During December 2020, the group entered into a facility arrangement with Barclays Bank plc., to fund £5m of new borrowings (re-payable in December 2024). The new debt facility was used to repay £5m of Mobeus Equity Partners LLP and management loan notes, which were due for repayment by July 2024, with the view of reducing the group's ongoing finance cost.

CLEAN TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2020 £	<i>Group 2019 £</i>
Within one year	216,839	230,631
Between 1-5 years	210,820	449,080
	<u>427,659</u>	<u>679,711</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. The lease obligation is secured on lease assets. 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 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

21. Financial instruments

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Financial assets				
Financial assets measured at fair value through profit or loss	100,811	91,975	-	-
Financial assets that are debt instruments measured at amortised cost	8,389,801	6,237,089	722,835	722,835
	<u>8,490,612</u>	<u>6,329,064</u>	<u>722,835</u>	<u>722,835</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(22,340,687)</u>	<u>21,321,127</u>	<u>793,652</u>	<u>13,343</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise invoice discounting facilities, other borrowings, trade creditors, amounts owed to group undertakings, obligations under finance lease and hire purchase contracts, other creditors and accruals.

CLEAN TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

22. Deferred taxation**Group**

	2020 £	2019 £
At beginning of year	(214,000)	-
Charged to profit or loss	(55,666)	(8,500)
Other	-	(205,500)
At end of year	(269,666)	(214,000)
	Group 2020 £	Group 2019 £
Accelerated capital allowances	(273,466)	(214,000)
Short term timing differences	3,800	-
	(269,666)	(214,000)

The other movement of £205,500 relates to deferred tax acquired.

23. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
63,000 (2019: 63,000) A Ordinary shares of £0.01 each	630	630
35,000 (2019: 35,000) B Ordinary shares of £0.01 each	350	350
2,000 (2019: 2,000) C Ordinary shares of £0.01 each	20	20
	1,000	1,000

The company was incorporated on 25 February 2019 issuing 1 ordinary share of £1. On 10 July 2019 the share classification was changed to 1 B ordinary share of £1. The 1 B ordinary share of £1 was then subdivided into 100 B ordinary shares of £0.01 each. A further allotment of these shares occurred as 63,000 A ordinary shares of £0.01 each, 34,900 B ordinary shares of £0.01 each and 2,000 C ordinary shares of £1 each. Of the 34,900 B ordinary shares, 17,550 were issued in part consideration for the transfer of loan notes in Clean Midco Limited. Additionally, the company created a share premium of £124k which consisted of 63,000 A ordinary Shares of £0.99 each, 34,900 B ordinary shares of £1.69 each and 2,000 C ordinary shares of £1.24 each.

CLEAN TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

24. Reserves**Share premium account**

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

Includes all current & prior periods retained profits & losses.

25. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £229,093 (2019: £29,475). Contributions totalling £20,149 (2019: £9,213) were payable to the fund at the balance sheet date and are included in creditors.

26. Commitments under operating leases

At 31 August 2020 the group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £	<i>Group 2019 £</i>
Not later than 1 year	366,827	240,776
Later than 1 year and not later than 5 years	1,210,283	179,771
	<u>1,577,110</u>	<u>420,547</u>

27. Related party transactions**Remuneration of key management personnel**

The remuneration of key management personnel is as follows:

	2020 £	<i>2019 £</i>
Aggregate compensation	<u>788,137</u>	<u>332,540</u>

Guarantees

A cross-company guarantee exists with the subsidiary companies, Star Brands (Holdings) Limited and Star Brands Limited.

CLEAN TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

28. Post balance sheet events

During December 2020, the group entered into a facility arrangement with Barclays Bank plc., to fund £5m of new borrowings (re-payable in December 2024). The new debt facility was used to repay £5m of Mobeus Equity Partners LLP and management loan notes, which were due for repayment by July 2024, with the view of reducing the group's ongoing finance cost.

29. Controlling party

The ultimate parent company and ultimate controlling party is Mobeus Equity Partners LLP.