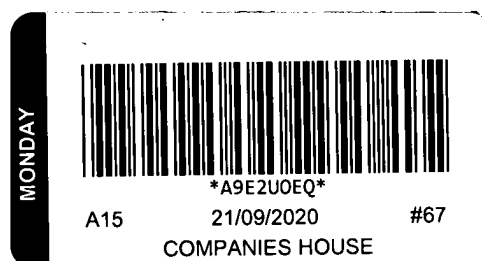


**Registered number: 01962503**

**BBI ENZYMES (USA) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**



## **BBI ENZYMES (USA) LIMITED**

### **CONTENTS**

	<b>Page(s)</b>
<b>Company Information</b>	<b>1</b>
<b>Directors' Report</b>	<b>2 - 4</b>
<b>Independent Auditors' Report to the Members of BBI Enzymes (USA) Limited</b>	<b>5 - 7</b>
<b>Statement of Comprehensive Income</b>	<b>8</b>
<b>Balance Sheet</b>	<b>9</b>
<b>Statement of Changes in Equity</b>	<b>10</b>
<b>Notes to the Financial Statements</b>	<b>11 - 18</b>

## **BBI ENZYMES (USA) LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	A E Peterson R G A Couzens M P Gualano
<b>Registered number</b>	01962503
<b>Registered office</b>	Berry Smith LLP Haywood House Dumfries Place Cardiff CF10 3GA
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Kingsway Cardiff CF10 3PW

## **BBI ENZYMES (USA) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

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

#### **Directors**

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

A E Peterson  
R G A Couzens  
M P Gualano  
L Taylor (resigned 6 April 2019)

#### **Events after the end of the reporting period**

On 3 June 2020, the BBI Group has successfully secured a full refinancing of all its existing bank facilities. The new bank facilities comprise of a £115m Unitranche multicurrency facility, a €20m Acquisition/Capex facility and a £10m Super Senior Revolving Facility. The new facility allows for the full refinance of the Group's existing investments and to fund the acquisition of Diarect AG. on 3 June 2020. The new bank facility is secured against specified assets within the Group and expires in 2027.

On 3 June 2020, Vector Bidco Limited, a wholly owned subsidiary of Vector Topco Limited, acquired 100% of the share capital of BBI Group Holding Limited. Vector Topco Limited is controlled by Exponent Private Equity Partners IV, LP.

#### **COVID-19**

The COVID-19 pandemic in 2020 has caused uncertainty across the World, and most countries have implemented 'lock down' measures to mitigate the spread of the virus, which are having a material effect on communities and the economy. We have implemented plans to ensure that our employees stay safe and that we are able to continue to service our customers' demand. All our sites have continued to operate as an approved critical supplier in each country of operation.

## **BBI ENZYMES (USA) LIMITED**

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

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

#### **Directors' confirmations**

In the case of each director in office at the date the Directors' Report is approved:

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

#### **Independent auditors**

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

#### **Small companies exemption**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

**BBI ENZYMES (USA) LIMITED**

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

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

*Richard Couzens*

**R G A Couzens**  
Director

Date: *9 July 2020*

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BBI ENZYMES (USA) LIMITED**

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, BBI Enzymes (USA) Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2019; the Statement of Comprehensive Income, and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### **Conclusions relating to going concern**

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

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

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

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### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

## **BBI ENZYMES (USA) LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BBI ENZYMES (USA) LIMITED (CONTINUED)**

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### *Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

#### **Responsibilities for the financial statements and the audit**

##### *Responsibilities of the directors for the financial statements*

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

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

##### *Auditors' responsibilities for the audit of the financial statements*

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

##### *Use of this report*

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.




**BBI ENZYMES (USA) LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BBI ENZYMES (USA) LIMITED  
(CONTINUED)**

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**Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Katharine Finn (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cardiff

Date: 10 July 2020

**BBI ENZYMES (USA) LIMITED****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$000</b>	<b>\$000</b>
Revenue	<b>5,847</b>	7,061
Cost of sales	<b>(4,231)</b>	(6,220)
<b>Gross profit</b>	<b>1,616</b>	841
Administrative expenses	<b>(1,026)</b>	(706)
Exceptional items	-	(107)
<b>Operating profit</b>	<b>590</b>	28
Tax on profit	<b>(3)</b>	(22)
<b>Profit for the financial year</b>	<b>587</b>	6
<b>Total comprehensive income for the financial year</b>	<b>587</b>	6

The notes on pages 11 to 18 form part of these financial statements.

**BBI ENZYMES (USA) LIMITED**  
**REGISTERED NUMBER: 01962503**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2019**

	Note	2019 \$000	2018 \$000
<b>Fixed assets</b>			
Tangible assets	5	-	6
<b>Current assets</b>			
Stocks	6	71	66
Debtors: amounts falling due after more than one year	7	7,307	6,280
Debtors: amounts falling due within one year	7	1,320	878
Cash at bank and in hand		1,648	464
		<u>10,346</u>	<u>7,688</u>
Creditors: amounts falling due within one year	8	(5,024)	(2,959)
<b>Net current assets</b>		<u>5,322</u>	<u>4,729</u>
<b>Total assets less current liabilities</b>		<u><u>5,322</u></u>	<u><u>4,735</u></u>
<b>Capital and reserves</b>			
Called up share capital		1	1
Retained earnings		5,321	4,734
<b>Total shareholders' funds</b>		<u><u>5,322</u></u>	<u><u>4,735</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements on pages 8 to 18 were approved and authorised for issue by the board and were signed on its behalf by:

*Richard Couzens*

**R G A Couzens**  
 Director

Date: 9 July 2020

The notes on pages 11 to 18 form part of these financial statements.

**BBI ENZYMES (USA) LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Called up share capital \$000</b>	<b>Profit and loss account \$000</b>	<b>Total shareholders' funds \$000</b>
<b>At 1 January 2018</b>	<b>1</b>	<b>4,728</b>	<b>4,729</b>
<b>Comprehensive income for the financial year</b>			
Profit for the financial year	-	6	6
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>6</b>	<b>6</b>
<b>At 31 December 2018 and 1 January 2019</b>	<b>1</b>	<b>4,734</b>	<b>4,735</b>
<b>Comprehensive income for the financial year</b>			
Profit for the financial year	-	587	587
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>587</b>	<b>587</b>
<b>At 31 December 2019</b>	<b>1</b>	<b>5,321</b>	<b>5,322</b>

The notes on pages 11 to 18 form part of these financial statements.

## **BBI ENZYMES (USA) LIMITED**

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

#### **1. GENERAL INFORMATION**

BBI Enzymes (USA) Limited (the "Company") is a private company limited by shares and is incorporated in the United Kingdom and domiciled in England and Wales. The address of its registered office is Berry Smith LLP, Haywood House, Dumfries Place, Cardiff, CF10 3GA.

#### **2. ACCOUNTING POLICIES**

##### **2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied consistently throughout the year:

##### **2.2 REVENUE**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

###### **Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### **2.3 TANGIBLE ASSETS**

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Cost includes the original purchase cost of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

Repairs and maintenance costs are expensed as incurred.

## **BBI ENZYMES (USA) LIMITED**

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

#### **2. ACCOUNTING POLICIES (CONTINUED)**

##### **2.3 TANGIBLE 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. The estimated useful lives range as follows:

Fixtures and fittings	-	10% straight line
Computer equipment	-	33% straight line

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting date. The effect of any change is accounted for prospectively.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

##### **2.4 IMPAIRMENT OF NON-FINANCIAL ASSETS**

At each Balance Sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Comprehensive Income, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

##### **2.5 OPERATING LEASES**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

##### **2.6 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 is based on the cost of purchase on a first in, first out basis and includes transport and handling costs.

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. Where a reversal of the impairment is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the Statement of Comprehensive Income.

## **BBI ENZYMES (USA) LIMITED**

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

#### **2. ACCOUNTING POLICIES (CONTINUED)**

##### **2.7 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.

##### **2.8 CASH AT BANK AND IN HAND**

Cash is represented by cash in hand and deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

##### **2.9 FINANCIAL INSTRUMENTS**

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

###### *(i) Financial assets*

Basic financial assets, including trade and other debtors, amounts owed by group undertakings and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

###### *(ii) Financial liabilities*

Basic financial liabilities, including trade and other creditors and amounts owed to group undertakings, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as Creditors: amounts falling due within one year if payment is due within one year or less. If not, they are presented as Creditors: amounts falling due after more than one year. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

## **BBI ENZYMES (USA) LIMITED**

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

#### **2. ACCOUNTING POLICIES (CONTINUED)**

##### **2.9 FINANCIAL INSTRUMENTS (CONTINUED)**

###### *(iii) Offsetting*

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

##### **2.10 FOREIGN CURRENCY TRANSLATION**

###### **Functional and presentation currency**

The Company's functional and presentational currency is USD.

###### **Transactions and balances**

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income where the original transaction was recorded.

##### **2.11 EMPLOYEE BENEFITS**

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

###### *(i) Short term benefits*

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

###### *(ii) Defined contribution pension plans*

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

The contributions are recognised as an expense in the Statement of Comprehensive Income 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 Company in independently administered funds.



## **BBI ENZYMES (USA) LIMITED**

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

#### **2. ACCOUNTING POLICIES (CONTINUED)**

##### **2.11 EMPLOYEE BENEFITS**

###### *(iii) Annual bonus plan*

The Company operates an annual bonus plan for employees. An expense is recognised in the Statement of Comprehensive Income when the Company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

##### **2.12 CURRENT AND DEFERRED TAXATION**

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

##### **2.13 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.

##### **2.14 FINANCE COSTS**

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

##### **2.15 FINANCE INCOME**

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

**BBI ENZYMES (USA) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****2. ACCOUNTING POLICIES (CONTINUED)****2.16 EXCEPTIONAL ITEMS**

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

**3. AUDITORS' REMUNERATION**

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled \$9,665 (2018: \$9,290).

**4. EMPLOYEES**

The average monthly number of employees, including directors, during the year was 7 (2018: 7).

**5. TANGIBLE ASSETS**

	<b>Fixtures and fittings \$000</b>	<b>Computer equipment \$000</b>	<b>Total \$000</b>
<b>Cost</b>			
At 1 January 2019	16	15	31
Disposals	(16)	(15)	(31)
At 31 December 2019	-	-	-
<b>Accumulated depreciation</b>			
At 1 January 2019	12	13	25
Disposals	(12)	(13)	(25)
At 31 December 2019	-	-	-
<b>NET BOOK VALUE</b>			
At 31 December 2019	-	-	-
At 31 December 2018	4	2	6

**BBI ENZYMES (USA) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****6. STOCKS**

	<b>2019</b>	2018
	<b>\$000</b>	<b>\$000</b>
Finished goods and goods for resale	<u>71</u>	<u>66</u>

There is no significant difference between the replacement cost of stocks and their carrying amounts.

**7. DEBTORS**

	<b>2019</b>	2018
	<b>\$000</b>	<b>\$000</b>
<b>DUE AFTER MORE THAN ONE YEAR</b>		
Amounts owed by group undertakings	<u>7,307</u>	<u>6,280</u>

Amounts owed by group undertakings are unsecured, do not attract interest and are repayable on demand.

	<b>2019</b>	2018
	<b>\$000</b>	<b>\$000</b>
<b>DUE WITHIN ONE YEAR</b>		
Trade debtors	1,313	868
Deferred taxation (note 9)	7	10
	<u>1,320</u>	<u>878</u>

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2019</b>	2018
	<b>\$000</b>	<b>\$000</b>
Trade creditors	30	-
Amounts owed to group undertakings	4,955	2,922
Accruals and deferred income	39	37
	<u>5,024</u>	<u>2,959</u>

Amounts owed to group undertakings are unsecured, do not attract interest and are repayable on demand.

## BBI ENZYMES (USA) LIMITED

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

#### 9. DEFERRED TAXATION

	2019 \$000
At beginning of year	10
Charged to the profit or loss	(3)
<b>AT END OF YEAR</b>	<b>7</b>

The deferred tax asset is made up as follows:

	2019 \$000	2018 \$000
Accelerated capital allowances	7	10

#### 10. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 3 June 2020, the BBI Group has successfully secured a full refinancing of all its existing bank facilities. The new bank facilities comprise of a £115m Unitranche multicurrency facility, a €20m Acquisition/Capex facility and a £10m Super Senior Revolving Facility. The new facility allows for the full refinance of the Group's existing investments and to fund the acquisition of Diarect AG. on 3 June 2020. The new bank facility is secured against specified assets within the Group and expires in 2027.

On 3 June 2020, Vector Bidco Limited, a wholly owned subsidiary of Vector Topco Limited, acquired 100% of the share capital of BBI Group Holding Limited. Vector Topco Limited is controlled by Exponent Private Equity Partners IV, LP.

#### 11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company is BBI US Group LLC, which is incorporated in Delaware, USA. BBI US Group LLC is ultimately owned and controlled by BBI Group Holding Limited, a company incorporated in England and Wales.

Eagle SPV 3 Limited is the smallest company in the group which prepares consolidated financial statements. Copies of the consolidated financial statements can be obtained from the Company at C/O Berry Smith LLP, Haywood House, Dumfries Place, Cardiff, CF10 3GA.

BBI Group Holding Limited is the largest company in the group which prepares consolidated financial statements. Copies of the consolidated financial statements can be obtained from the Company at C/O Berry Smith LLP, Haywood House, Dumfries Place, Cardiff, CF10 3GA.

BBI Group Holding Limited is controlled by Exponent Private Equity Partners IV, LP. Exponent Private Equity Partners IV, LP, is a collection of investors and no one investor has beneficial ownership of more than 15%.