

INDUSTRIE CARTARIE TRONCHETTI UK LIMITED

ANNUAL REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2019

TUESDAY



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COMPANIES HOUSE

INDUSTRIE CARTARIE TRONCHETTI UK LIMITED

COMPANY INFORMATION

Directors	R Baccelli (appointed 28 August 2018) W Bordi (appointed 28 August 2018) S Tronchetti (appointed 28 August 2018)
Registered number	11539626
Registered office	Wright Hassall Olympus Avenue Leamington Spa Warwickshire CV34 6BF
Independent auditor	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

INDUSTRIE CARTARIE TRONCHETTI UK LIMITED

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INDUSTRIE CARTARIE TRONCHETTI UK LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the period ended 31 December 2019, the company incorporated on 28 August 2018 and these financial statements are for the first period ended 31 December 2019.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies for the company's financial statements 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 company will continue in business.

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

Principal activity

The principal activity of the company is the supply of tissue paper products.

Directors

The directors who served during the period are disclosed on the company information page.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

INDUSTRIE CARTARIE TRONCHETTI UK LIMITED

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

Post balance sheet events

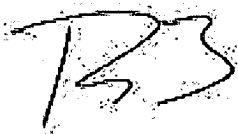
The company is monitoring the progression of the Covid-19 pandemic. We continue to be fully engaged in the project, within the limits of restricted travels, for the realization of a greenfield production site, having integrated tissue production and converting. At this moment, we foresee no significant threat to the ongoing of the activities. The company will be operating in the consumer tissue business, producing and selling products that, as we have witnessed in this very crisis, are of essential nature for society at large. We therefore see no heightened risk to the business sector. Since the current situation is novel and in continuous evolution, our future looking statement may be revised from time to time based on new information.

Small companies note

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

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

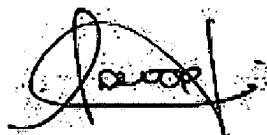
R Baccelli
Director



W Bordi
Director



S Tronchetti
Director



Date: 30 APRIL 2020

INDUSTRIE CARTARIE TRONCHETTI UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDUSTRIE CARTARIE TRONCHETTI UK LIMITED

Opinion

We have audited the financial statements of Industrie Cartarie Tronchetti UK Limited (the 'company') for the period ended 31 December 2019, which comprise the profit and loss account, the balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 company's affairs as at 31 December 2019 and of its loss for the period 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

INDUSTRIE CARTARIE TRONCHETTI UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDUSTRIE CARTARIE TRONCHETTI UK LIMITED (CONTINUED)

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.

Opinion 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 directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

INDUSTRIE CARTARIE TRONCHETTI UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDUSTRIE CARTARIE TRONCHETTI UK LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 1, 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 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.

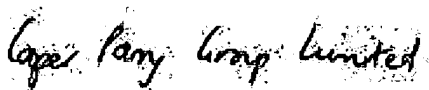
Auditor's responsibilities for the audit of the financial statements

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 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 for our audit work, for this report, or for the opinions we have formed.



Neil Calder (Senior Statutory Auditor)

for and on behalf of

Chartered Accountants
Cooper Parry Group Limited

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Date: *4 May 2020*

INDUSTRIE CARTARIE TRONCHETTI UK LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2019

	16 months ended 31 December 2019 £
Distribution costs	(92,163)
Administrative expenses	(448,130)
Operating loss	<u>(540,293)</u>
Interest receivable and similar income	198,356
Loss before taxation	<u>(341,937)</u>
Taxation on loss	-
Loss after taxation	<u><u>(341,937)</u></u>
Loss for the period	<u>(341,937)</u>
Retained earnings at the end of the period	<u><u>(341,937)</u></u>

There were no recognised gains and losses for 2019 or 2018 other than those included in the profit and loss account.

The notes on pages 8 to 12 form part of these financial statements.

INDUSTRIE CARTARIE TRONCHETTI UK LIMITED
REGISTERED NUMBER: 11539626

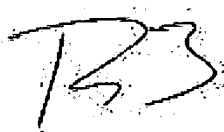
BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	£	2019 £
Fixed assets			
Tangible assets	3		1,409,190
Current assets			
Debtors	4	13,466	
Cash at bank and in hand		19,206,478	
		<u>19,219,944</u>	
Creditors: amounts falling due within one year	5	(971,071)	
Net current assets			<u>18,248,873</u>
Total assets less current liabilities			<u>19,658,063</u>
Net assets			<u><u>19,658,063</u></u>
Capital and reserves			
Called up share capital	7		20,000,000
Profit and loss account			<u>(341,937)</u>
Shareholders' funds			<u><u>19,658,063</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 were approved and authorised for issue by the board and were signed on its behalf by:

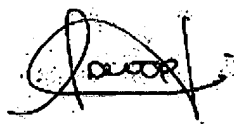
R Baccelli
Director



W Bordi
Director



S Tronchetti
Director



Date: 30 APRIL 2020

The notes on pages 8 to 12 form part of these financial statements.

INDUSTRIE CARTARIE TRONCHETTI UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

1. Accounting policies

1.1 Basis of preparation of financial statements

Industrie Cartarie Tronchetti UK Limited (the 'company') is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is disclosed on the company information page.

The financial statements are prepared in Sterling (£), which is the functional currency of the company. The company was incorporated on 28 August 2018 and these financial statements are for the first period ended 31 December 2019.

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

The following principal accounting policies have been applied:

1.2 Disclosure exemptions

As the company is a wholly owned subsidiary of a company whose consolidated financial statements include the results of the subsidiary and are publicly available, the company has taken advantage of FRS 102 Section 33.1a exemption from disclosing transactions with group undertakings.

1.3 Going concern

The company is monitoring the progression of the Covid-19 pandemic. We continue to be fully engaged in the project, within the limits of restricted travels, for the realization of a greenfield production site, having integrated tissue production and converting. At this moment, we foresee no significant threat to the ongoing of the activities. The company will be operating in the consumer tissue business, producing and selling products that, as we have witnessed in this very crisis, are of essential nature for society at large. We therefore see no heightened risk to the business sector. Since the current situation is novel and in continuous evolution, our future looking statement may be revised from time to time based on new information.

1.4 Foreign currency translation

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.

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 profit and loss account.

1.5 Interest income

Interest income is recognised in the profit and loss account using the effective interest method.

INDUSTRIE CARTARIE TRONCHETTI UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1.6 Pensions

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 profit and loss account 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.

1.7 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.

Repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

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:

Computer equipment	- 25% straight line
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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 the profit and loss account..

At each balance sheet date, the company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any.

If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

1.8 Assets under the course of construction

Assets under the course of construction have been capitalised and are depreciated when they are brought into full use. Once the project is completed, the asset will be transferred to the correct fixed asset category.

1.9 Basic financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to and from related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently

INDUSTRIE CARTARIE TRONCHETTI UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1.9 Basic financial instruments (continued)

measured at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

1.10 Current and deferred taxation

The taxation charge for the year comprises of current and deferred taxation.

Current taxation is recognised for the amount of corporation taxation payable in respect of the taxable profit for the current or past reporting periods using the taxation rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred taxation is recognised where material in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred taxation assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred taxation liabilities or other future taxable profits. Deferred taxation is calculated using the taxation rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

2. Employees

The average monthly number of employees during the period was 1.

3. Tangible fixed assets

	Computer equipment £	Assets under construction £	Total £
Cost			
Additions	1,437	1,407,993	1,409,430
At 31 December 2019	1,437	1,407,993	1,409,430
Depreciation			
Charge for period	240	-	240
At 31 December 2019	240	-	240
Net book value			
At 31 December 2019	1,197	1,407,993	1,409,190

INDUSTRIE CARTARIE TRONCHETTI UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

4. Debtors

	2019 £
Other debtors	8,823
Prepayments	4,643
	<u>13,466</u>

5. Creditors: Amounts falling due within one year

	2019 £
Trade creditors	156,094
Amounts owed to group undertakings	720,788
Other taxation and social security	23,652
Other creditors	17,869
Accruals	52,668
	<u>971,071</u>

6. Pension commitments

The company operates a defined contribution pension scheme. The pension charge for the period represents contributions payable by the company to the scheme and amounted to £6,593. There were contributions outstanding to the scheme at the year end of £13,186.

7. Share capital

	2019 £
Authorised, allotted, called up and fully paid	
20,000,000 Ordinary shares of £1 each	<u>20,000,000</u>

On incorporation, the company issued 20,000,000 ordinary shares at £1 each.

8. Post balance sheet events

Subsequent to the year end, there has been an outbreak of Covid-19 which has developed into a global pandemic. No adjustment has been made to the figures presented in these financial statements for the potential effects of the pandemic. See note 1.3 for more details of the directors' consideration of the impact of this event on the company.

INDUSTRIE CARTARIE TRONCHETTI UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

9. Ultimate parent undertaking and controlling party

The immediate and ultimate parent undertaking is Industrie Cartarie Tronchetti SPA, a company incorporated and registered in Italy. In the opinion of the directors there is no one controlling party.