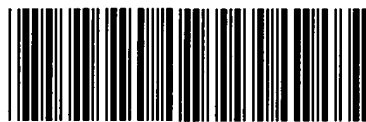


INDUSTRIE CARTARIE TRONCHETTI UK LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

THURSDAY



AA5DABQR

A04

27/05/2021

#375

COMPANIES HOUSE

INDUSTRIE CARTARIE TRONCHETTI UK LIMITED

COMPANY INFORMATION

Directors	R Baccelli W Bordi S Tronchetti
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

CONTENTS

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 6
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9 - 13

INDUSTRIE CARTARIE TRONCHETTI UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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

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 year are disclosed on the company information page.

Coronavirus

The company is monitoring the progression of the ongoing 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.

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 YEAR ENDED 31 DECEMBER 2020

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 by:

R Baccelli
Director



W Bordi
Director



S Tronchetti
Director



Date:

30.04.21

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 year ended 31 December 2020, 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 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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 year 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out 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.

INDUSTRIE CARTARIE TRONCHETTI UK LIMITED

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our audit approach focussed on the significant laws and regulations that Industrie Cartarie Tronchetti UK Limited had to comply with and high risk areas identified during the audit which were assessed as being more susceptible to misstatement. This included but was not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- Obtaining an understanding of the legal and regulatory framework that applies to the entity and how the entity is complying with that framework.
- Obtaining an understanding of the policies, systems and controls employed by the entity and how they have been complied with through client discussions and sample testing these controls;
- Obtaining an understanding of the entity's risk assessment process, including the risk of fraud and discussing any instances of fraud within the year;
- Designing and reviewing our audit procedures to respond to our risk assessment based on the above information; and
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

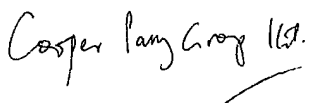
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDUSTRIE CARTARIE TRONCHETTI UK LIMITED

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

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.



Neil Calder (Senior Statutory Auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

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

Date: 4 May 2021

INDUSTRIE CARTARIE TRONCHETTI UK LIMITED

**PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	31 December 2020 £	16 months ended 31 December 2019 £
Distribution costs	(5,657)	(92,163)
Administrative expenses	(427,252)	(448,130)
Operating loss	<u>(432,909)</u>	<u>(540,293)</u>
Interest receivable and similar income	98,514	198,356
Loss before tax	<u>(334,395)</u>	<u>(341,937)</u>
Taxation on loss	-	-
Loss after tax	<u><u>(334,395)</u></u>	<u><u>(341,937)</u></u>
Retained earnings at the beginning of the year	(341,937)	-
Loss for the year	(334,395)	(341,937)
Retained earnings at the end of the year	<u><u>(676,332)</u></u>	<u><u>(341,937)</u></u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the profit and loss statement.

The notes on pages 9 to 13 form part of these financial statements.

INDUSTRIE CARTARIE TRONCHETTI UK LIMITED
REGISTERED NUMBER: 11539626

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	3	1,959,503	1,409,190
		<u>1,959,503</u>	<u>1,409,190</u>
Current assets			
Debtors	4	15,701	13,466
Cash at bank and in hand		17,909,480	19,206,478
		<u>17,925,181</u>	<u>19,219,944</u>
Creditors: amounts falling due within one year	5	(561,016)	(971,071)
Net current assets		<u>17,364,165</u>	<u>18,248,873</u>
Total assets less current liabilities		<u>19,323,668</u>	<u>19,658,063</u>
Net assets		<u><u>19,323,668</u></u>	<u><u>19,658,063</u></u>
Capital and reserves			
Called up share capital	7	20,000,000	20,000,000
Profit and loss account		(676,332)	(341,937)
		<u>19,323,668</u>	<u>19,658,063</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 2021

The notes on pages 9 to 13 form part of these financial statements.

INDUSTRIE CARTARIE TRONCHETTI UK LIMITED

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

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. These financial statements are for the year ended 31 December 2020 (2019: 16 months 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 ongoing COVID-19 pandemic. The company continues 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, the directors 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 the directors have witnessed in this very crisis, are of essential nature for society at large. The directors therefore see no heightened risk to the business sector. Since the current situation is novel and in continuous evolution, the company's 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 profit or loss using the effective interest method.

INDUSTRIE CARTARIE TRONCHETTI UK LIMITED

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

1. Accounting policies (continued)

1.6 Pensions

Defined contribution pension plan

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 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 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
--------------------	---------------------

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.

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.

INDUSTRIE CARTARIE TRONCHETTI UK LIMITED

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

1. Accounting policies (continued)

1.9 Basic financial instruments (continued)

All financial assets and liabilities are initially measured at transaction price and subsequently 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 year was 1 (2019: 1).

INDUSTRIE CARTARIE TRONCHETTI UK LIMITED

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

3. Tangible fixed assets

	Computer equipment £	Other fixed assets £	Total £
Cost or valuation			
At 1 January 2020	1,437	1,407,993	1,409,430
Additions	-	550,673	550,673
At 31 December 2020	1,437	1,958,666	1,960,103
Depreciation			
At 1 January 2020	240	-	240
Charge for the year	360	-	360
At 31 December 2020	600	-	600
Net book value			
At 31 December 2020	837	1,958,666	1,959,503
At 31 December 2019	1,197	1,407,993	1,409,190

4. Debtors

	2020 £	2019 £
Other debtors	14,145	8,823
Prepayments	1,556	4,643
	15,701	13,466

5. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	83,450	156,094
Amounts owed to group undertakings	406,429	720,788
Other taxation and social security	10,732	23,652
Other creditors	6,683	17,869
Accruals	53,722	52,668
	561,016	971,071

INDUSTRIE CARTARIE TRONCHETTI UK LIMITED

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

6. Pension commitments

The company operates a defined contribution pension scheme. The pension charge for the year represents contributions payable by the company to the scheme and amounted to £11,718 (2019: £6,593). There were contributions outstanding to the scheme at the year end of £1,917 (2019: £13,186).

7. Share capital

	2020 £	2019 £
Authorised, allotted, called up and fully paid		
20,000,000 (2019: 20,000,000) Ordinary shares of £1 each	20,000,000	20,000,000

8. Post balance sheet events

The company entered into a conditional sales agreement on 16 April 2021 for the purchase of a plot of land estimated at £18,792,900 (exclusive of VAT) at The Airfields in Deeside, North Wales, as part of the company's strategic plan to establish its greenfield production site, undertaking integrated tissue production and converting.

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.