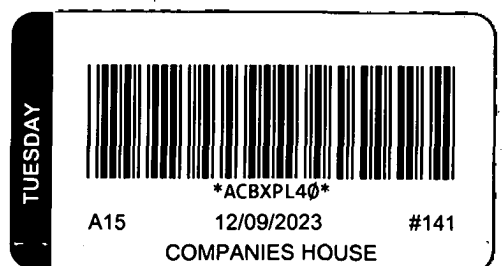


T&J HOLDCO LIMITED
Annual report and financial statements
Period ended 31 December 2022

Registered number: 12553626



T&J HOLDCO LIMITED

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T&J HOLDCO LIMITED

Officers and professional advisers

DIRECTORS

Mr R.S.D Howard
Mr P Wirtz (resigned 27 September 2022)
Mr A Lissaman (appointed 27 September 2022)
Mr J Bambridge
Mr J Bracewell
Mr D Millward

REGISTERED OFFICE

Floor 2, Trident 3
Trident Business Park
Styal Road
Manchester
M22 5XB

BANKERS

HSBC Plc
4 Hardman Square
Spinningfields
Manchester
M3 3EB

SOLICITORS

Gordons LLP
Forward House
8 Duke Street
Bradford
BD1 3QX

AUDITOR

Ernst & Young LLP
Statutory Auditor
2 St Peter's Square
Manchester
M2 3EY

T&J HOLDCO LIMITED

Strategic report

This strategic report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to T&J Holdco Limited and its subsidiary undertakings when viewed as a whole.

Review of the business

The Group's total turnover for the period ended 31 December 2022 was £168,505,000 (2021: £125,921,000). The Group looks to build its competitive position through innovation and speed to market whilst establishing a deeper understanding of the key markets and customers supplied by the brands.

The year ended 31 December 2022 saw the Group continue to invest in markets of strategic importance, namely North America, with the North America brands continuing to demonstrate strong growth, with an annual revenue growth of 93%, reflecting the increasing traction across the Pet Specialty and Mass Grocery channels. The Group was awarded B-Corp accreditation during the prior year through one of its trading companies, MPM Products Limited.

EBITDA before exceptional items (earnings before interest tax depreciation and amortisation) of £19,571,000 (2021: £13,648,000), reflects the growth in revenue and increase in Gross Margin within the main trading entities, MPM Products Limited and MPM Products USA Inc. Whilst the Group maintained tight control over administrative expenses, there has been investment in headcount to support the turnover growth experienced across the USA. EBITDA includes the mark-to-market valuation of financial derivatives with a gain of £1,844,000 as at 31 December 2022 (2021: £3,042,000).

Loss before taxation of £11,141,000 (2021: £17,773,000) reflects the above mentioned growth in revenue and increase in gross margin within the Group's trading entities; which has been offset by an increase in investment in headcount to support the growth in new markets of strategic importance to the Group. The loss before taxation also includes an exceptional cost relating to a product recall.

The Group's net liabilities position at year end is £29,065,000 (2021: £18,570,000). The Group entered into a new lending facility in December 2020 which consists of a £50m 7-year committed Term Loan and £15m Revolving Credit facility. Operating cash flow was £(5,901,000) due to investment in working capital to support continued growth of the business.

During the prior year, a Group subsidiary listed £129,709,000 of issued Loan Notes on the International Stock Exchange.

The trading outlook remains positive given the Group's brands are well positioned in their respective markets and the consumer trend towards premium, natural products is expected to continue. The investment in people and systems has been maintained over the year and the team is well placed to take advantage of the opportunities being targeted.

Key performance indicators

The directors consider the key performance indicators of the Group to be turnover, EBITDA, operating cash flows and shareholders' funds, which are documented below. The KPI targets which were based on revenue and EBITDA growth and improvements in Operating cash flows were achieved during the year, with future targets based around further growth.

	2022	2021
	£'000	£'000
Turnover	168,505	125,931
EBITDA before exceptional items	19,571	13,648
EBITDA after exceptional items	19,366	12,133
Operating cash flows	(5,901)	3,426
Shareholders' deficit	(29,065)	(18,570)

T&J HOLDCO LIMITED

Strategic report (continued)

Section 172

The directors consider, both individually and together, that they have acted in the way they consider in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the period ended 31 December 2021. In particular by reference to the approval of our business plan for the period FY2023-2025;

Long-term consequence of decisions made in the year and fostering business relationships

The plan was designed to have a long-term beneficial impact on the company and its stakeholders, including shareholders, customers and suppliers, through continued growth in sales and profitability whilst striving to enrich the lives of pets and their owners through visibly better pet food.

The maintenance of high standards of conduct

It is the Directors intention to behave responsibly and ensure that the business operates in a responsible manner, operating within high standards of business conduct by aligning with the company's values of Transparency, Simplicity and Responsibility.

Engaging with shareholders

The directors are committed to openly engaging with shareholders, recognizing the importance of behaving responsibly towards shareholders and treating them fairly and equally to they can benefit from the successful delivery of the plan.

Principal risks and uncertainties

Currency risk

A significant proportion of the Group's cost of sales is denominated in US Dollars whilst a significant proportion of revenues are denominated in Sterling, Australian Dollar and Euro currencies. The directors seek to mitigate this inherent currency risk by utilising hedging facilities and foreign exchange derivatives together with a strategic focus on acquiring US Dollar denominated customers and Australian Dollar and Euro denominated suppliers to provide a natural hedge.

Interest rate risk

A significant proportion of the Group's debt instruments are held at fixed interest rates, which mitigates the risk of interest rate increases. Interest rate risk associated with debt instruments which are not held at fixed interest rates is managed through interest rate swaps.

Cash flow risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange and interest rates. The directors seek to mitigate the risk of adverse cash flows during expansion by cultivating a strong and open relationship with the Group's banking partner to ensure that significant credit lines are available. As noted above, a significant proportion of the Group's cost of sales is denominated in US dollars whilst a significant proportion of revenues are denominated in Sterling, Australian Dollar and Euro currencies. The Directors see to mitigate this inherent currency risk by utilising hedging facilities together with a strategic focus on acquiring US Dollar denominated customers and Australian Dollar and Euro denominated suppliers to provide a natural hedge.

Reputation risk

The directors seek to mitigate the risk to the reputation of the Group's brands and maintain the brands' positioning relative to the competition by continuing to invest in quality control, supply chain management and the development of new products within strict brand criteria.

Covid-19 uncertainty and Supply chain disruption

The directors seek to mitigate the potential risk to the Group and Company from the global Covid-19 pandemic and the subsequent impact on global Supply chains through leveraging the Company's investment in global sales growth, temporarily build stock cover to act as a contingency against supply chain disruption and diverse supply chain to spread risk resulting from reliance on one country or region.

T&J HOLDCO LIMITED

Strategic report (continued)

The Pet Food industry is considered to be resilient and its classification during Covid as an essential industry enables the Company and its supply chain to continue to operate in territories where restrictions on movement were imposed.

Although the Company and the industry which it operates are considered to be relatively well insulated from the Covid-19 pandemic, uncertainties remain and the directors continue to consider and monitor current risks and prepare for these outcomes. The directors are monitoring risk in a number of ways including increased liaison with key suppliers and enhanced monitoring of customer and consumer sales data across the regions which the Group operates acknowledging the respective stages of lockdown in each region. The potential risks and outcomes include supply chain disruption, mitigated by increased stockholding and the impact of a reduction in sales on profits and liquidity, mitigated by a reduction in discretionary spend.

Russia:Ukraine conflict uncertainty

The directors seek to mitigate the potential risk to the Group and Company from the Russia:Ukraine conflict through leveraging the Group's globally diverse sales with limited exposure to the Russian or Ukraine region. There have not been any significant risk factors identified to date, however the directors continue to monitor risk in a number of ways including increased liaison with suppliers.

Cost of living crisis and consumer inflationary pressures

The directors seek to mitigate the potential risk to the Group and Company from the current cost of living crisis and consumer inflationary pressures through leveraging the Group's globally diverse sales portfolio. The Group has a number of routes to market through various geographies, channels and products which spreads the risk of one region having a material impact on the financial performance of the Group. In addition, the Pet Food industry is considered to be one of the most resilient consumer categories during inflationary environments.

Future developments

The directors expect the general level of activity to increase in the forthcoming year. This growth is expected to be generated by the continued increase in distribution of the Group's products in existing and new markets, leveraging the positioning of the Group's brands in their respective markets and the continued consumer trend towards premium, natural products.

Approved by the Board and signed on its behalf by:

DocuSigned by:

CD1A278AECC44DB...
Mr David Millward

Director
31 March 2023

Floor 2, Trident 3
Trident Business Park
Styal Road
Manchester
M22 5XB

T&J HOLDCO LIMITED

Directors' report

The directors present their annual report on the affairs of the Group, together with the financial statements and auditor's report, for the period ended 31 December 2022.

Principal activity

The principal activity of the Company is that of a holding company. The Company was incorporated on 9 April 2020. The consolidated accounts have been prepared for the year ended 31 December 2022.

The principal activity of the Group is the supply of premium natural cat and dog food.

The results of the period ended 31 December 2022 are disclosed on page 12. No dividends were paid or proposed during the year.

Future developments

Details of future developments can be found in the Strategic Report on pages 2 - 4 and form part of this report by cross-reference.

Events after the balance sheet date

There have been no significant events since the balance sheet date.

Financial risk management objectives and policies

The Group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The Group does not use derivative financial instruments for speculative purposes.

Cash flow risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group uses foreign exchange forward contracts and interest rate swaps to hedge these exposures.

Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

Energy usage

The Company and Group qualify as a low energy user and such are exempt from reporting energy usage figures.

T&J HOLDCO LIMITED

Directors' report (continued)

Dividends

The directors do not recommend the payment of a dividend.

Directors

The directors who served the Company during the year and thereafter are stated on page 1.

Going concern

The directors are fully aware of their duty to assess the Group and Company's going concern status and have attended to this with particular care in consideration of the current economic and industry outlook. A Going Concern assessment has been prepared for the 12 months to April 2024. A base case scenario has been assessed, with downside scenarios applied in relation to a decline in revenues. The assessment indicates that the Group and Company has sufficient liquidity to confidently meet its financial liabilities and meet day-to-day cash requirements.

Having reviewed forecasts and projections, taking into account the Group's loss during the period, its net liabilities position, cash generation and potential future trading performance variations, the directors have concluded that the Group and Company has adequate resources to meet its liabilities for the foreseeable future and therefore the financial statements have been prepared accordingly on a going concern basis. Further details on the basis of preparation are given in note 1 to the financial statements.

Directors' indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the prior period and remain in force at the date of this report.

Auditor


Each of the persons who is a director at the date of approval of this report confirms 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 he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Ernst & Young LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:

DocuSigned by:

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Mr D Millward

Director

31 March 2023

T&J HOLDCO LIMITED

Directors' responsibilities statement

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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. 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.

Independent auditor's report to the members of T&J Holdco Limited

Opinion

We have audited the financial statements of T&J Holdco Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the group Profit and Loss Account, the group and parent company Balance Sheet, group Statement of cash flows, the group Statement of comprehensive income, the group and parent Statement of changes in equity and the related notes 1 to 28, 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 FRS 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 group's and of the parent company's affairs as at 31 December 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period 30 April 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

Independent auditor's report to the members of T&J Holdco Limited

We have nothing to report in this regard.

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, 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.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those that relate to the reporting framework (United Kingdom

Independent auditor's report to the members of T&J Holdco Limited

Accounting Standard, Companies Act 2006). In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to health and safety, employee matters, environmental, and bribery and corruption practices.

- We understood how T&J Holdco Limited is complying with those frameworks by making enquiries of management, and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of Board minutes and noted that there was no contradictory evidence.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur. We identified fraud risks in our work on revenue recognition, and performed specific procedures which were responsive to the identified fraud risks.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business; performing inquiries of external legal counsel; and reviewing material items in the group's legal expenses.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Jamie Dixon (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester
31 March 2023

T&J HOLDCO LIMITED

Consolidated profit and loss account
For the period ended 31 December 2022

	<i>Note</i>	2022 £'000	2021 £'000
Turnover	3	168,505	125,931
Cost of sales		(77,568)	(64,963)
Gross profit		<u>90,937</u>	<u>60,969</u>
Administrative expenses		(85,695)	(61,668)
Other operating income	4	1	1
Exceptional items	5	(205)	(1,515)
Operating loss		<u>5,038</u>	<u>(2,214)</u>
Interest payable and similar expenses	6	(16,179)	(15,559)
Loss before taxation	7	<u>(11,141)</u>	<u>(17,773)</u>
Tax on loss	10	1,455	(403)
Loss for the financial year		<u><u>(9,686)</u></u>	<u><u>(17,370)</u></u>

The accompanying notes form an integral part of the financial statements.

All activity in the period is derived wholly from continuing operations.

T&J HOLDCO LIMITED

Consolidated statement of comprehensive income
For the period ended 31 December 2022

	2022 £'000	2021 £'000
Loss for the financial year	<u>(9,686)</u>	<u>(17,370)</u>
Currency translation difference on foreign currency net investments	<u>(810)</u>	<u>252</u>
Other comprehensive income	<u>(810)</u>	<u>252</u>
Total comprehensive loss	<u><u>(10,496)</u></u>	<u><u>(17,118)</u></u>

T&J HOLDCO LIMITED**Consolidated balance sheet**

At 31 December 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Goodwill	12	40,469	45,554
Intangible assets	12	115,063	123,971
Tangible assets	13	573	336
Other investments	14	166	123
		<u>156,271</u>	<u>169,982</u>
Current assets			
Stocks	15	61,668	23,848
Debtors	16	31,960	21,255
Cash at bank and in hand		<u>5,992</u>	<u>4,619</u>
		99,620	49,951
Creditors: Amounts falling due within one year	17	(45,717)	(24,839)
Cash and cash equivalents		<u>(9,353)</u>	<u>-</u>
Net current assets		<u>44,550</u>	<u>25,111</u>
Total assets less current liabilities		200,821	195,094
Creditors: Amounts falling due after more than one year	18	(209,953)	(190,568)
Provisions for liabilities			
Provisions	20	(19,933)	(23,096)
Net liabilities		<u>(29,065)</u>	<u>(18,570)</u>
Capital and reserves			
Called-up share capital	23	15	15
Share premium account		544	544
Profit and loss account		(29,066)	(19,380)
Retranslation reserve		(558)	252
Shareholders' deficit		<u>(29,065)</u>	<u>(18,570)</u>

The accompanying notes form an integral part of the financial statements.

The financial statements of T&J Holdco Limited (registered number 12553626) were approved by the board of directors and authorised for issue on 31 March 2023. They were signed on its behalf by:

DocuSigned by:

David Millward

CO1A279AECC44DB...
Mr D Millward

Director

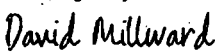
T&J HOLDCO LIMITED**Company balance sheet**

At 31 December 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Investments	14	771	771
		<u>771</u>	<u>771</u>
		229	
Debtors: Amounts falling due after more than one year	16		229
Creditors: Amounts falling after more than one year	18	(441)	(441)
Net assets		<u>559</u>	<u>559</u>
Capital and reserves			
Called-up share capital	23	15	15
Share premium account		544	544
Profit and loss account		-	-
Shareholders' funds		<u>559</u>	<u>559</u>

As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent Company. The profit for the financial period dealt with in the financial statements of the parent Company was £nil.

The financial statements of T&J Holdco Limited (registered number 12553626) were approved by the board of directors and authorised for issue on 31 March 2023. They were signed on its behalf by:

DocuSigned by:

 C01A279AECC44DB...
 Mr D Millward
 Director

T&J HOLDCO LIMITED**Consolidated statement of changes in equity**

At 31 December 2022

	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Retranslation reserve £'000	Total £'000
At 31 December 2020	15	497	(2,010)	334	(1,164)
Issue of share capital	-	47	-	-	47
Loss for the financial period	-	-	(17,370)	-	(16,427)
Other comprehensive income	-	-	-	(82)	(80)
At 31 December 2021	15	544	(19,380)	252	(18,570)
Issue of share capital	-	-	-	-	-
Loss for the financial period	-	-	(9,686)	-	(9,686)
Other comprehensive income	-	-	-	(810)	(810)
At 31 December 2022	15	544	(29,066)	(558)	(29,065)

Company statement of changes in equity

At 31 December 2022

	Called-up share capital £	Share Premium account £	Profit and loss account £	Total £
At 31 December 2020	14,576	497,222	-	511,798
Issue of share capital	522	46,518	-	47,040
Total comprehensive income	-	-	-	-
At 31 December 2021	15,098	543,740	-	558,838
Total comprehensive income	-	-	-	-
At 31 December 2022	15,098	543,740	-	558,838

T&J HOLDCO LIMITED**Consolidated cash flow statement**

For the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Net cash flows from operating activities	24	<u>(5,901)</u>	<u>3,426</u>
Capital expenditure and financial investment			
Acquisition of subsidiaries		(44)	(28)
Payments to acquire intangible fixed assets		(23)	(207)
Payments to acquire tangible fixed assets		<u>(541)</u>	<u>204</u>
Net cash flows from investing activities		<u>(608)</u>	<u>(31)</u>
Cash outflow before financing		<u>(6,509)</u>	<u>3,396</u>
Cash flows from financing activities			
Interest paid on import loan		-	(2,621)
Loan note interest paid		-	(1,521)
Bank loan interest paid		(3,338)	-
Invoice finance charges		(498)	(361)
Net (repayment) proceeds on bank loans and invoice financing		<u>11,404</u>	<u>1,528</u>
Net cash flows from financing activities		<u>7,568</u>	<u>(2,975)</u>
Net increase in cash and cash equivalents		<u>1,059</u>	<u>420</u>
Cash and cash equivalents at beginning of year		<u>4,619</u>	<u>4,215</u>
Effect of foreign exchange rate changes		314	(15)
Cash and cash equivalents at end of year		<u>5,992</u>	<u>4,619</u>

T&J HOLDCO LIMITED

Notes to the financial statements

For the period ended 31 December 2022

1. Statement of accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current year and prior period.

General information and basis of accounting

T&J Holdco Limited (the Company) is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out in the Directors' Report on pages 5 to 6.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of T&J Holdco Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

T&J Holdco Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December each year. The results of subsidiaries acquired are consolidated for the periods from the date on which control passed.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. More information can be found in note 14 to these financial statements.

Going concern

The financial statements have been prepared using the going concern basis of accounting.

The Company has access to the Group's 7 year committed borrowing facility, which includes a £50m Term loan and £15m RCF facility. The Group's banking facility also includes a £7.0m invoice finance line which is subject to an annual review. The director's expectation is that the bank have no reason not to continue to provide these facilities.

The directors have considered the loss generated by the Company and its net liabilities position and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, although this is reliant on funds provided by its parent and subsidiary companies. A letter of support has been provided to the company by the directors of its ultimate parent company, T&J Holdco Limited, in order to provide additional support should the company fail to meet its liabilities as they fall due.

T&J HOLDCO LIMITED**Notes to the financial statements (continued)**

For the period ended 31 December 2022

1. Accounting policies (continued)**Going concern (continued)**

The Company's financial position and ability to adopt the going concern basis relates principally to the operating activities of the trading companies within the group. The Group closely monitors and carefully manages its liquidity risk. Cashflow forecasts are regularly produced, and sensitivities run for different scenarios, including, but not limited to a significant decrease in revenue caused by the loss of a number of customers or a reduction in demand for pet food. Cashflow forecasts have been updated in light of the COVID-19 outbreak, with the base case run using the assumption that the Group continues to perform in-line with recent growth rates, which are broadly in-line with growth of the premium pet food sector in the various geographies which the Group operates. A downside scenario has been run on the assumption of a decline in revenues of 32% across the next 12 months to April 2024 with a corresponding decrease in Cost of Sales and assumed cost savings through a reduction in overheads over the same period. Both under the base case assumptions and the downside scenario noted above, the Group will be able to operate within the covenants and has sufficient financial headroom for at least the 12 month period after the approval of the financial statements.

Under the extreme downside scenario, reflecting a very substantial decline in revenues, the likelihood of which directors consider remote, it is possible, without further mitigating actions in additions to those assumed for the downside scenario and noted above, the Group would breach the Leverage covenant. If performance indicates the extreme downside was more likely, the Group would take further mitigating actions in advance to maintain compliance with its external debt facility.

After considering these factors the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Intangible assets

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 15 years.

Research expenditure is written off as incurred. Development expenditure is also written off, except for where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as an intangible asset and amortised over the period during which the Group is expected to benefit.

Intangible assets acquired as part of a business combination are measured at fair value at the acquisition date.

Intangible fixed assets are stated at cost less impairments to date. Cost represents purchase price together with any incidental costs of acquisition.

Amortisation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the estimated useful economic life of that asset as follows:

Trademarks	10% straight line
Website development	20% straight line
Brands	15 years straight line
Goodwill	10 years straight line

Design and content development costs are capitalised only to the extent that they lead to the creation of an enduring asset delivering benefits at least as great as the amount capitalised. If there is insufficient evidence on which to base reasonable estimates of the economic benefits that will be generated in the period until the design and content are next updated, the costs of developing the design and content are charged to the profit and loss account as incurred.

T&J HOLDCO LIMITED**Notes to the financial statements (continued)**

For the period ended 31 December 2022

1. Accounting policies (continued)**Tangible fixed assets**

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Plant & machinery - 33.3% per annum

Fixtures & fittings - 10 – 50% per annum

Office equipment - 33.3 – 50% per annum

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Other investments

Other investments are measured at cost less impairment.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

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.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

T&J HOLDCO LIMITED**Notes to the financial statements (continued)**

For the period ended 31 December 2022

1. Accounting policies (continued)**Financial instruments (continued)**

- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Investments

In the Company balance sheet, investments in subsidiaries are measured at cost less impairment.

(iii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

(iv) Derivative financial instruments

The Group uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The Group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

The Group does not apply hedge accounting.

(v) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Note 22 sets out details of the fair values of the derivative instruments used for hedging purposes.

T&J HOLDCO LIMITED**Notes to the financial statements (continued)**

For the period ended 31 December 2022

1. Accounting policies (continued)**Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes materials and direct costs such as packaging and shipping. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate. Stock is impaired where the items have no value to the business.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss previously recognised for assets other than goodwill, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets of the CGU, except for goodwill, on a pro-rata basis. Impairment of goodwill is never reversed.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

T&J HOLDCO LIMITED**Notes to the financial statements (continued)**

For the period ended 31 December 2022

1. Accounting policies (continued)**Taxation (continued)**

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Turnover

The turnover shown in the profit and loss account represents the value of all goods sold during the period, less returns received, at selling price exclusive of Value Added Tax. Turnover is recognised when the goods are dispatched to the customer.

Other income

Other income relates to income generated from sources other than through the sales of goods. Distributions from the Group's investments in Limited Liability Investments are recognised within other income.

Cost of sales

Selling costs are an integral part of the Company's business and are therefore included in cost of sales.

T&J HOLDCO LIMITED**Notes to the financial statements (continued)**

For the period ended 31 December 2022

1. Accounting policies (continued)**Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity.

Other exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Pension schemes

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

T&J HOLDCO LIMITED**Notes to the financial statements (continued)**

For the period ended 31 December 2022

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key source of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Stock valuation and provisioning

Judgement is required on the adequacy of stock valuation and provisioning. The assessment of estimated selling price can fluctuate as a result of market factors. Furthermore, estimation uncertainty exists from provision requirements for slow-moving inventory, with the provision based on stock with less than 12 months remaining shelf-life.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Impairment of other intangible assets and goodwill

The entity holds significant assets in other intangibles assets and goodwill where the carrying value requires annual assessment for impairment. Judgement therefore is required regarding the existence and measurement of impairment, plus the estimation uncertainty of cash flow projections to support the carrying values of these assets.

T&J HOLDCO LIMITED**Notes to the financial statements (continued)**

For the period ended 31 December 2022

3. Turnover

Turnover is attributable to the one principal activity of the company disclosed in the Directors' Report on pages 5 to 6.

The analysis of turnover by geographical market required by paragraph 68 of Schedule 1 to the Large and Medium-sized Companies and Groups (Financial Statements and Reports) Regulations which accompany the Companies Act 2006 has not been provided as, in the opinion of the directors, such disclosure would be seriously prejudicial to the interests of the Company.

4. Other operating income

	2022 £'000	2021 £'000
Other income	1	1

5. Exceptional items

Exceptional Costs of £205,000 (2021: £1,515,000) relate to the costs incurred in relation to a one-off product recall.

6. Interest payable and similar expenses

	2022 £'000	2021 £'000
Bank interest	3,354	2,596
Other interest	295	324
Interest payable on loan notes	14,218	13,013
Invoice discounting facility expense	498	361
Derivative asset fair value (gain) on interest rate swap (note 21)	(2,186)	(734)
	16,179	15,559

7. Loss before taxation

Loss before taxation is stated after charging/(crediting):

	2022 £'000	2021 £'000
Operating lease expense	203	203
Foreign currency exchange loss excluding intercompany revaluation	(925)	(61)
Foreign currency exchange (gain)/loss on intercompany revaluation	(4,975)	556
Derivative asset fair value loss (gain) (note 21)	(1,844)	(3,042)
Depreciation of tangible fixed assets (note 13)	309	315
Amortisation of goodwill (note 12)	5,085	5,085
Amortisation of other intangible assets (note 12)	8,934	14,032
Cost of stock recognised as an expense	77,568	64,963

Amortisation of intangible assets is included in administrative expenses.

T&J HOLDCO LIMITED**Notes to the financial statements (continued)**

For the period ended 31 December 2022

The analysis of the auditor's remuneration is as follows:

	2022 £	2021 £'000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	11	11
Fees payable to the company's auditor and its associates for other services to the Group	95	76
The audit of the company's subsidiaries	74	69
Other audit related services		
Total audit fees	<u>85</u>	<u>80</u>
Taxation advisory services	<u>16</u>	<u>7</u>
Total non-audit fees	<u>16</u>	<u>7</u>

Fees payable to Ernst & Young LLP and its associates for non-audit services to the company are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis.

No services were provided pursuant to contingent fee arrangements.

T&J HOLDCO LIMITED**Notes to the financial statements (continued)**

For the period ended 31 December 2022

8. Staff numbers and costs

The average monthly number of employees (including executive directors) was:

	2022 Number	2021 Number
Administration	99	81
Directors	3	3
	<u>102</u>	<u>84</u>

Their aggregate remuneration comprised:

	2022 £'000	2021 £'000
Wages and salaries	6,931	5,690
Social security costs	513	395
Other pension costs (note 25)	395	353
	<u>7,839</u>	<u>6,438</u>

9. Directors' remuneration and transactions

	2022 £'000	2021 £'000
Directors' remuneration		
Emoluments	800	803
Company contributions to money purchase pension schemes	19	17
	<u>819</u>	<u>820</u>

	Number	Number
The number of directors who:		
Are members of a money purchase pension scheme	3	3

	2022 £'000	2021 £'000
Remuneration of the highest paid director:		
Emoluments	335	343
Company contributions to money purchase schemes	8	7

Directors' advances, credits and guarantees

There were no transactions with directors during the year.

T&J HOLDCO LIMITED**Notes to the financial statements (continued)**

For the period ended 31 December 2022

10. Tax on loss

The tax charge comprises:

	Group 2022 £'000	Group 2021 £'000
Current tax on loss		
UK corporation tax	1,941	1,370
Adjustment in respect of prior years	(190)	(236)
Overseas tax	(3)	16
Total current tax	<u>1,748</u>	<u>1,149</u>
Deferred tax		
Origination and reversal of timing differences	(54)	353
Adjustment in respect of prior periods	(434)	830
Effect of changes in tax rates	(65)	(85)
Deferred tax relating to intangible assets	(2,650)	(2,650)
Total deferred tax charged / (credited) to profit and loss account (note 20)	<u>(3,203)</u>	<u>(1,552)</u>
Total tax on loss	<u><u>(1,455)</u></u>	<u><u>403</u></u>

There is no expiry date on timing differences, unused tax losses or tax credits.

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	Group 2022 £'000	Group 2021 £'000
Group loss before tax	<u>(11,141)</u>	<u>(17,773)</u>
Tax on Group loss at standard UK corporation tax rate of 19%	(2,117)	(3,377)
Effects of:		
- Expenses not deductible for tax purposes	1,953	1,803
- Adjustment to tax charge in respect of prior years	(910)	616
- Changes in tax rates	(433)	(85)
- Overseas tax	101	89
- Enhanced tax depreciation – superdeduction	(16)	-
- Depreciation on ineligible assets	1	-
- Income not taxable	(35)	-
- Effects of group relief and other reliefs	1	552
Group total tax charge for year	<u><u>(1,455)</u></u>	<u><u>402</u></u>

T&J HOLDCO LIMITED**Notes to the financial statements (continued)**

For the period ended 31 December 2022

11. Profit attributable to the Company

As permitted by s408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent Company. The profit attributable to the Company is disclosed in the footnote to the Company's balance sheet on page 14.

12. Goodwill and Intangible fixed assets

	Website development £'000	Trademark cost £'000	Goodwill £'000	Brands £'000	Total £'000
Cost					
At 31 December 2021	413	295	50,852	132,925	184,485
Acquired	5	18	-	-	23
Disposals	-	-	-	-	-
Retranslation	(5)	13	-	-	(18)
At 31 December 2022	412	326	50,852	132,925	184,515
Amortisation					
At 31 December 2021	296	136	5,298	9,231	14,961
Charge for the period	37	35	5,085	8,862	14,019
Retranslation	(1)	5	-	-	4
At 31 December 2022	332	176	10,383	18,093	28,984
Net book value					
At 31 December 2021	117	160	45,554	123,694	169,525
At 31 December 2022	80	150	40,469	114,832	155,532

The brands are considered material to the Group. The carrying amount as at 31 December 2022 is £114,832,000 (2021: £123,694,000) and the brands have an estimated remaining useful life of 13 years (2021: 14 years).

T&J HOLDCO LIMITED**Notes to the financial statements (continued)**

For the period ended 31 December 2022

13. Tangible fixed assets

Group	Plant and machinery £'000	Fixtures and fittings £'000	Office equipment £'000	Total £'000
Cost				
At 31 December 2021	191	476	1,557	2,224
Additions	102	134	305	541
Disposals	-	-	-	-
Retranslation	4	92	(73)	23
At 31 December 2022	297	702	1,789	2,788
Depreciation				
At 31 December 2021	144	421	1,323	1,888
Charge for the year	47	63	199	309
Disposals	-	-	-	-
Retranslation	2	97	(81)	18
At 31 December 2022	193	581	1,441	2,215
Net book value				
At 31 December 2021	47	55	233	336
At 31 December 2022	104	121	348	573

Tangible assets with a carrying amount as at 31 December 2022 of £573,000 have been pledged to secure borrowings of the group and its subsidiary companies.

There are no contractual commitments.

14. Fixed asset investments

	Group 2022 £'000	Company 2022 £'000	Group 2021 £'000	Company 2021 £'000
Subsidiary undertakings	-	771	-	771
Other Investments	166	-	123	-
Total	166	771	123	771

T&J HOLDCO LIMITED**Notes to the financial statements (continued)**

For the period ended 31 December 2022

14. Fixed assets investments (continued)**Principal Group investments**

The parent Company and the Group have investments in the following subsidiary undertakings, and other significant investments.

Subsidiary undertakings	Registered office address	Principal activity	Holding	%
MPM Bidco Limited	Floor 2, Trident 3 Trident Business Park Manchester M22 5XB	Management services	Ordinary Shares	100
MPM Products Limited	Floor 2, Trident 3 Trident Business Park Manchester M22 5XB	Pet food distributor	Ordinary Shares	100
MPM Topco Limited	Floor 2, Trident 3 Trident Business Park Manchester M22 5XB	Holding	Ordinary Shares	100
MPM Products USA Inc.	125 Town Park Drive Suite 300 Kennesaw Georgia 30144 USA	Pet food distributor	Ordinary Shares	100
MPM Products Swiss Sarl	Chemin Frank Thomas 34, 1208 Geneve Switzerland	Dormant	Ordinary Shares	100
MPM Products (Shanghai) Limited	Room 1105, 1 st Floor Building 2 No.81 Futebeilu Shanghai (Pilot) Free Trade Zone	Dormant	Ordinary Shares	100
MPM Pet Products Ireland Limited	25/28 North Wall Quay Dublin 1 Republic of Ireland	Dormant	Ordinary Shares	100
MPM Brasil Comercio de Produtos Animalis Limited	Rua Conelheiro Bruterio n.528 conjuto 1501 CEP 01154-000, Sao Paolo	Pet food distributor	Ordinary Shares	100
T&J Midco Limited	Floor 2, Trident 3 Trident Business Park Manchester M22 5XB	Holding	Ordinary Shares	100
T&J Newco Limited	Floor 2, Trident 3 Trident Business Park Manchester M22 5XB	Holding	Ordinary Shares	100
T&J Bidco Limited	Floor 2, Trident 3 Trident Business Park Manchester M22 5XB	Management services	Ordinary Shares	100

T&J HOLDCO LIMITED**Notes to the financial statements (continued)**

For the period ended 31 December 2022

14. Fixed assets investments (continued)

The Group also holds investments in Limited Liability Partnerships.

	Group Other investments £
Carrying value before impairment	
At 31 December 2021	262
Additions	20
Disposals	-
	<hr/>
At 31 December 2022	282
	<hr/>
Carrying value after impairment	
At 31 December 2021	123
	<hr/>
At 31 December 2022	166
	<hr/>

Other investments relate to investments in Limited Liability Partnerships and are held at cost less impairment because their fair value cannot be measured reliably.

15. Stocks

	Group 2022 £'000	Group 2021 £'000
Goods in Transit	3,065	2,266
Finished goods and goods for resale	58,603	21,582
	<hr/>	<hr/>
	61,668	23,848
	<hr/>	<hr/>

There is no material difference between the balance sheet value of stocks and their replacement cost. Included within stock is an amount of £61,668,000, which has been pledged as security for trade amounts owed to secured creditors (see note 18).

T&J HOLDCO LIMITED**Notes to the financial statements (continued)**

For the period ended 31 December 2022

16. Debtors

	Group 2022 £'000	Company 2022 £'000	Group 2021 £'000	Company 2021 £'000
Trade Debtors	27,167	-	17,814	-
Amounts owed by subsidiary undertakings (note 27)	-	72	-	2
Prepayments and accrued income	1,227	-	1,499	-
Other Debtors	57	157	12	228
Invoice discounting	-	-	266	-
Derivative financial asset (note 22)	3,509	-	1,664	-
	<u>31,960</u>	<u>229</u>	<u>21,255</u>	<u>229</u>

Included in Other Debtors, £157,000 relates to an Employee Benefit Trust, due after more than a year.

Amounts owed by subsidiary undertakings are due after more than a year.

17. Creditors – amounts falling due within one year

	Group 2022 £'000	Company 2022 £'000	Group 2021 £'000	Company 2021 £'000
Trade creditors	20,168	-	10,732	-
Corporation tax	2,832	-	1,082	-
Other taxes and social security	820	-	1,416	-
Other creditors	103	-	42	-
Accruals and deferred income	15,691	-	11,567	-
Invoice discounting	6,103	-	-	-
	<u>45,717</u>	<u>-</u>	<u>24,839</u>	<u>-</u>

T&J HOLDCO LIMITED**Notes to the financial statements (continued)**

For the period ended 31 December 2022

18. Creditors – amounts falling due after more than one year

Borrowings are repayable as follows:

	Group 2022 £'000	Company 2022 £'000	Group 2021 £'000	Company 2021 £'000
Term Loan	48,661	-	48,350	-
Revolving credit facility	5,036	-	-	-
Loan notes	156,255	441	142,218	441
	<u>209,953</u>	<u>441</u>	<u>190,568</u>	<u>441</u>

Borrowings are repayable as follows:

	Group 2022 £'000	Company 2022 £'000	Group 2021 £'000	Company 2021 £'000
Term Loan				
Between one and two years	-	-	-	-
Between two and five years	48,661	-	-	-
After five years	-	-	48,350	-
	<u>-</u>	<u>-</u>	<u>48,350</u>	<u>-</u>
On demand or within one year	-	-	48,350	-
	<u>48,661</u>	<u>-</u>	<u>48,350</u>	<u>-</u>

Term Loan

Between one and two years
Between two and five years
After five years

	-	-	-	-
	5,036	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
On demand or within one year	-	-	-	-
	<u>5,036</u>	<u>-</u>	<u>-</u>	<u>-</u>

Loan notes

Between one and two years
Between two and five years
After five years

	-	-	-	-
	-	-	-	-
	156,255	441	142,218	441
	<u>156,255</u>	<u>-</u>	<u>142,218</u>	<u>-</u>
On demand or within one year	-	-	-	-
	<u>156,255</u>	<u>441</u>	<u>142,218</u>	<u>441</u>

T&J HOLDCO LIMITED**Notes to the financial statements (continued)**

For the period ended 31 December 2022

**18. Creditors – amounts falling due after more than one year
(continued)****Total Borrowings**

Between one and two years

Between two and five years

After five years

On demand or within one year

-	-	-	-
53,697	-	-	-
156,255	441	190,568	441
209,953	-	190,568	-
-	-	-	-
209,953	441	190,568	441

The Term Loan of £50,000,000 is due for repayment in December 2027 and is shown net of facility fees. The Term Loan attracts SONIA rates of interest, plus the credit adjustment spread and applicable margin. The margin ranges from 4.25% to 5.00%.

The loan notes are secured by a fixed and floating charge over the assets of the Group. Loan notes of £441,000 held by the Company do not have a fixed maturity date and do not attract interest. Loan notes of £141,777,000 held by the Group mature in December 2030 and attract 10% interest.

In the prior year £47,000 of the Company Convertible Loan Notes were converted to Share Capital. In addition, £129,709,000 of issued Loan Notes were listed on the International Stock Exchange.

The Group holds an invoice discounting facility. The maximum availability of the facility is £7,000,000.

19. Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

Land and Buildings

Expiry date

Within one year

Within one and five years

Group	Group
2022	2021
£'000	£'000
203	203
610	813

T&J HOLDCO LIMITED**Notes to the financial statements (continued)**

For the period ended 31 December 2022

20. Provisions for liabilities

	Group 2022 £'000	Group 2021 £'000
Product recall	996	955
Deferred tax	18,938	22,141
	<u>19,933</u>	<u>23,096</u>

Deferred Tax	Group 2022 £'000	Group 2021 £'000
At 1 January	(22,141)	(23,692)
Deferred Tax on acquisition	-	-
Charged to profit and loss account – current year	135	(268)
Charged to profit and loss account – relating to prior year	418	(830)
Deferred Tax relating to consolidation	2,650	2,649
	<u>(18,938)</u>	<u>(22,141)</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	Group 2022 £'000	Group 2021 £'000
Fixed asset timing differences	(19,835)	(22,470)
Short term timing differences- trading	856	288
Losses	41	41
At 31 December	<u>(18,938)</u>	<u>(22,141)</u>

Deferred Tax assets	Group 2022 £'000	Group 2021 £'000
Recoverable within 12 months	1,054	626
Recoverable after 12 months	2,650	2,675
At 31 December	<u>3,704</u>	<u>3,301</u>

Deferred Tax liabilities	Group 2022 £'000	Group 2021 £'000
Realised within 12 months	(147)	(297)
Realised after 12 months	(22,495)	(25,145)
At 31 December	<u>(22,462)</u>	<u>(25,442)</u>

Deferred tax assets and liabilities are offset only where the Group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the Group.

T&J HOLDCO LIMITED**Notes to the financial statements (continued)**

For the period ended 31 December 2022

21. Financial instruments

The carrying values of the Group and Company's financial assets and liabilities are summarised by category below:

	Group 2022 £'000	Group 2021 £'000
Financial assets		
Measured at fair value through profit or loss		
• Derivative financial liabilities (note 22)	3,509	1,664
Measured at undiscounted amount receivable		
• Trade and other debtors (note 16)	27,224	17,826
• Invoice discounting (note 16)	-	266
Cash and cash equivalents		
• Cash and cash equivalents	5,992	4,619
Equity instruments measured at cost less impairment		
• Fixed asset unlisted investments (note 14)	166	123
	<u>36,891</u>	<u>22,834</u>
Financial liabilities		
Cash and cash equivalents		
• Bank overdraft	9,353	-
Measured at undiscounted amount payable		
• Loan notes payable (note 18)	156,255	142,218
• Trade and other creditors (note 17)	20,271	10,774
	<u>185,879</u>	<u>151,328</u>
The Group's income, expense, gains and losses in respect of financial instruments are summarised below:		
	Group 2022 £'000	Group 2021 £'000
Fair value (loss) gain		
On derivatives financial liabilities measured at fair value through profit or loss	<u>1,844</u>	<u>3,042</u>

T&J HOLDCO LIMITED**Notes to the financial statements (continued)**

For the period ended 31 December 2022

22. Derivative financial instruments

	2022 £'000	2021 £'000
Group		
Derivatives that are designated and effective as instruments carried at fair value		
Assets		
Forward foreign currency contracts	668	930
Interest rate swaps	2,921	734
	<u> </u>	<u> </u>
Liabilities		
Forward foreign currency contracts	80	-
	<u> </u>	<u> </u>

The Group places forward contracts for the purchase of Euros and US Dollars at fixed rates. The Company holds financial instruments that qualify as derivatives in order to manage its currency risks from its operations. Forward foreign currency contracts are valued using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. The Group does not utilise hedge accounting for financial instruments.

The following table details the forward foreign currency contracts outstanding as at the year-end:

Outstanding contracts	Average contractual		Notional value		Fair value	
	Exchange rate					
	2022 Rate	2021 Rate	2022 £'000	2021 £'000	2022 £'000	2021 £'000
USD (\$)	1.231	1.389	35,032	25,920	668	710
EUR (€)	1.129	1.140	1,594	1,578	(14)	58
AUS (\$)	1.779	1.804	10,819	9,976	(66)	162
					<u>588</u>	<u>930</u>

The following table details the interest rate derivative contract outstanding as at the year-end:

Outstanding receive floating pay fixed contracts	Average contractual		Notional principal		Fair value	
	Fixed interest rate		value			
	2022 Rate	2021 Rate	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Less than 1 year	-	-	-	-	-	-
1 - 2 years	-	-	-	-	-	-
3 - 5 years	0.56%	0.56%	-	35,000	2,921	734
5 years or more	-	-	-	-	-	-
					<u>2,921</u>	<u>734</u>

The interest rate derivatives were settled on a quarterly basis. The floating rate on the interest rate is three months' SONIA. The Group settled the difference between the fixed and floating interest rate on a net basis.

Interest rate derivatives are valued at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

T&J HOLDCO LIMITED**Notes to the financial statements (continued)**

For the period ended 31 December 2022

23. Called-up share capital and reserves

	Group and Company 2022 £	Group and Company 2021 £
Allotted, called-up and fully-paid		
291,710 (2020: 262,553) ordinary A shares of £0.01 each	2,912	2,912
781,250 (2020: 805,000) ordinary C shares of £0.01 each	7,812	7,812
218,750 (2020: 195,000) ordinary B1 shares of £0.01 each	2,187	2,187
218,750 (2020: 195,000) ordinary B2 shares of £0.01 each	2,187	2,187
	<u>15,098</u>	<u>15,098</u>

Ordinary A shares and ordinary B1 shares have the same voting rights. The ordinary B2 and ordinary C shares are non – voting shares

Ordinary C shares and ordinary B2 shares have a right to dividends. Ordinary A shares and ordinary B1 shares have no rights to dividends

The Group and Company's other reserves are as follows:

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses. During the period the company recognized £nil (2021: £522) on the issue of nil (2021: 522,000) shares.

The profit and loss reserve represents cumulative profits or losses, net of dividends paid.

The retranslation reserve represents the currency translation difference on foreign currency net investments.

T&J HOLDCO LIMITED**Notes to the financial statements (continued)**

For the period ended 31 December 2022

24. Cash flow statement**Reconciliation of operating profit to cash generated by operations:**

	2022	2021
	£'000	£'000
Operating profit / (loss)	5,038	(2,214)
Adjustment for:		
Depreciation	309	315
Amortisation	14,019	14,032
Exceptional costs	40	955
Derivative asset fair value (gain) loss (note 21)	342	(2,308)
Operating cash flow before movement in working capital	19,748	10,781
Decrease (increase) in stocks	(38,947)	(9,348)
Decrease (increase) in debtors	(9,492)	(4,637)
Increase (decrease) in creditors	22,787	7,806
Cash generated by operations	(5,904)	4,602
Payment of corporation tax	3	(1,176)
Net cash inflow from operating activities	(5,901)	3,426

25. Employee benefits

The Group operates a defined contribution retirement benefits scheme for all qualifying employees. The total expense charged to the profit or loss account in the period ended 31 December 2022 was £308,000 (2021: £312,000). As at 31 December 2022 the Group had £nil (2021: £nil) due to the defined contribution benefit scheme.

26. Contingent liabilities

The Group has no Contingent liabilities as at 31 December 2022.

T&J HOLDCO LIMITED**Notes to the financial statements (continued)**

For the period ended 31 December 2022

27. Related party transactions**Directors' transactions**

There were no transactions with directors during the period.

Other related party transactions

As at the year end, the following amounts were owed to group entities and related parties. The long-term loans are due in greater than one year.

Debtor	Creditor	Nature of intercompany balance	2022 £'000	2021 £'000
MPM Products Limited	MPM Products USA Inc	Long-Term loan	38,458	16,729
MPM Products Limited	MPM Bidco Limited	Trading	5,335	5,339
MPM Topco Limited	MPM Bidco Limited	Trading	208	208
T&J Bidco Limited	MPM Products Limited	Long-Term loan	1,077	(794)
T&J Bidco Limited	MPM Bidco Limited	Long-Term loan	70,503	70,503
T&J Bidco Limited	T&J Midco Limited	Long-Term loan	951	951
T&J Newco Limited	T&J Bidco Limited	Long-Term loan	129,888	129,888
T&J Midco Limited	T&J Newco Limited	Long-Term loan	129,888	129,888
T&J Holdco Limited	T&J Midco Limited	Long-Term loan	1	1
T&J Holdco Limited	T&J Bidco Limited	Long-Term loan	71	-

The loan between MPM Products Limited and MPM Products USA Inc. incurs a 6% annual interest charge. The other loans are interest free.

During the year, MPM Products Limited paid audit fees of £6,000 on behalf of T&J Holdco Limited relating to the current year audit.

The total remuneration for key management personnel for the year was £819,000 (2021: £803,000), including Directors remuneration disclosed in note 9 of £819,000 (2021: £803,000)

28. Ultimate controlling party

The largest and smallest group which T&J Holdco Limited is a member for which consolidated accounts are prepared is T&J Holdco Limited, whose registered office is Floor 2, Trident 3, Trident Business Park, Styal Road, M22 5XB.

Funds controlled by 3i plc whose registered office is 16 Palace Street, London SW1E 5JD are a shareholder with significant influence owing 49.9% (2021: 49.9%) of the ultimate parent company's share capital, however they do not have controlling rights and therefore the directors do not consider that the group has an ultimate controlling party.