

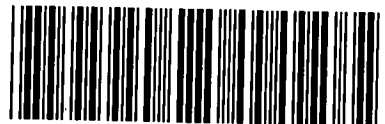
Registered number: 13194135

PANDA BIDCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2021

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PANDA BIDCO LIMITED

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PANDA BIDCO LIMITED

COMPANY INFORMATION

Directors	J Boucher A O Fischer
Registered number	13194135
Registered office	c/o Rubicon Partners 8-12 York Gate London NW1 4QG
Independent auditors	Azets Audit Services 5 Yeomans Court Ware Road Hertford Hertfordshire United Kingdom SG13 7HJ

PANDA BIDCO LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

Introduction

The directors present their Strategic Report for the company for the period ended 31 December 2021.

Business review

The company was incorporated on 10 February 2021. The financial statements are for the first financial period ended 31 December 2021.

During the period ended 31 December 2021, the company shortened its period end from 28 February 2022 to 31 December 2021 to align with other group companies.

The company is an intermediate holding company and acquired Bamboo Distribution Limited during the period.

During the period the company made a loss of £3,045,225 and at 31 December 2021 the company had net liabilities of £3,045,224.

Key performance indicators

Given the nature of the business the Company's directors are of the opinion that analysis using numerous key performance indicators is not necessary for an understanding of the development, performance or position of the business.

As a holding company, the value of the investments is ultimately derived from the financial performance and position of the trading subsidiary. The financial statements for Bamboo Distribution Limited showed net assets of £22.8m as at 31 December 2021 and a profit before taxation of £3.4m for the 10 months period ended 31 December 2021. The directors consider that this performance was satisfactory.

Future developments

The directors do not anticipate any significant developments for the company during the coming year. The company is expected to continue as a holding company for the foreseeable future.

Principal risks and uncertainties

The company's activity as a holding company exposes it to a number of financial risks, the most significant of which is the possible impairment in the carrying value of its investments. These carrying values are reviewed by management each year and are compared to future discounted cash flows of the relevant investments. Credit risk, cash flow risk and liquidity risk do not represent significant issues as the company does not trade. The company regularly reviews its financial exposure and seeks to limit the adverse effects on its financial performance by monitoring levels of debt finance and related finance costs.

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



J Boucher
Director

Date: 01/12/2022

PANDA BIDCO LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2021**

The directors present their report and the audited financial statements for the period ended 31 December 2021.

Principal activity

The principal activity of the company is that of a holding company. The company's principal subsidiary undertakings are shown in note 10 within the financial statements.

Results and dividends

The loss for the period, after taxation, amounted to £3,045,225.

The directors do not recommend the payment of a dividend for the period.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Strategic Report, 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;
- 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 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.

Directors' confirmations

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

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- 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 auditors are aware of that information.

PANDA BIDCO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2021**

Directors

The directors who served during the period and up to the date of this report were:

J Boucher (appointed 10 February 2021)

A O Fischer (appointed 10 February 2021)

Qualifying third party indemnity provisions

The directors benefit from a qualifying third party indemnity provision in the form permitted by the Section 234 of the Companies Act 2006 in respect of certain third party actions against directors. No claim or notice of claim in respect of these indemnities has been received in the period. The qualifying indemnity provision was in force throughout the financial period and up to the date of approval of the Directors' Report.

Matters covered in the strategic report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report on page 2. These matters relate to business review and future developments.

PANDA BIDCO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

Going concern

These financial statements are prepared on the going concern basis which the directors consider to be appropriate for the reasons set out below.

The company had net liabilities of £3,045,224 and net current liabilities of £38,936,779 at the balance sheet date. The company funding comprises £39,129,363 payable to group undertakings with no fixed repayment date and £8,741,858 of bank debt which is repayable in monthly instalments with final payment in March 2026 (note 13 and 14).

In making their going concern assessment the directors have considered the future financial performance and liquidity of the company for a period in excess of 12 months from the date of authorisation of these financial statements. The company is continually forecasting its financial performance under a range of scenarios assessing the impact on profitability, funding, liquidity, funding covenants and capital position. These scenarios and stress tests are based on both historical experience and external factors, recognising the different geographic territories in which the company operates.

The directors have proactively discussed the ongoing impact of COVID in China with Shawbrook Bank, and have agreed new covenant tests up to and including 30 September 2023 due to the current macroeconomic climate. The directors have evaluated various forecast scenarios, along with the potential cost mitigating options available to the company. Specific severe downside scenarios have been assessed and management are confident that going forward they will maintain compliance with new, formally agreed covenants even in these stressed scenarios. The Group has a strong relationship with, and continued support from, its funders. Alongside this support from the funders the shareholders have injected £3,000k additional funds by the date of signing these financial statements.

More realistic scenarios have also been modelled which include assumptions around new business opportunities being negotiated plus a reasonable return to normal trading with China. The directors believe that these reflect a more realistic position as China begins its recovery.

The directors, having considered the above, are of the opinion that the company has adequate financial resources to continue in operational existence for at least 12 months from the date of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Economic impact of the COVID-19 pandemic

The COVID-19 pandemic continues to affect the UK and global economies however the recent lifting of social restrictions by the government means the directors anticipate the UK and global economies to return to growth in due course. It is not possible to predict how quickly and to what degree this may happen. The priorities of the directors remain to comply with any remaining regulatory requirements to the fullest extent possible, and to maintain the safety and well-being of the company's personnel.

Post balance sheet events

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The directors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event.

PANDA BIDCO LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2021

Auditors

During the period, Azets Audit Services was appointed as auditor.

The auditors, Azets Audit Services, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



J Boucher
Director

Date: 01/12/2022

PANDA BIDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PANDA BIDCO LIMITED

Opinion

We have audited the financial statements of Panda Bidco Limited (the 'company') for the period ended 31 December 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including 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 state of the company's affairs as at 31 December 2021 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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.

Other Information

The other information comprises the information in the annual report other than the financial statements and our auditors' 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 our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

PANDA BIDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PANDA BIDCO LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 the 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where 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.

Responsibilities of directors

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

Auditors' responsibilities for the audit of the financial statements

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

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

PANDA BIDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PANDA BIDCO LIMITED

Extent to which 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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and 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 indicators of potential bias.

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

PANDA BIDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PANDA BIDCO LIMITED

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.

Azets Audit Services

**Lindsey Tyler FCA (Senior statutory auditor)
for and on behalf of Azets Audit Services**

Date: 01/12/2022

Chartered Accountants
Statutory Auditor

5 Yeomans Court
Ware Road
Hertford
Hertfordshire
United Kingdom
SG13 7HJ

PANDA BIDCO LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2021

	Note	Period ended 31 December 2021 £
Turnover	4	14,324
Gross profit		14,324
Administrative expenses		(160,496)
Operating loss	5	(146,172)
Interest payable and similar expenses	8	(2,899,053)
Loss before tax		(3,045,225)
Loss for the financial period		(3,045,225)
Other comprehensive income		-
Total comprehensive expense for the period		(3,045,225)

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The notes on pages 14 to 26 form part of these financial statements.

PANDA BIDCO LIMITED
REGISTERED NUMBER: 13194135

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	31 December 2021 £
Fixed assets		
Investments	10	43,770,846
		<u>43,770,846</u>
Current assets		
Debtors: amounts falling due within one year	11	1
Cash and cash equivalents	12	1,103,462
		<u>1,103,463</u>
Creditors: amounts falling due within one year	13	(40,040,242)
Net current liabilities		<u>(38,936,779)</u>
Total assets less current liabilities		<u>4,834,067</u>
Creditors: amounts falling due after more than one year	14	(7,879,291)
Net liabilities		<u><u>(3,045,224)</u></u>
Capital and reserves		
Called up share capital	16	1
Profit and loss account		(3,045,225)
Total equity		<u><u>(3,045,224)</u></u>

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



J Boucher
Director

Date: 01/12/2022

The notes on pages 14 to 26 form part of these financial statements.

PANDA BIDCO LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2021**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At date of incorporation on 10 February 2021	1	-	1
Comprehensive expense for the period			
Loss for the period	-	(3,045,225)	(3,045,225)
Other comprehensive income for the period	-	-	-
Total comprehensive expense for the period	-	(3,045,225)	(3,045,225)
Total transactions with owners	-	-	-
At 31 December 2021	1	(3,045,225)	(3,045,224)

The notes on pages 14 to 26 form part of these financial statements.

PANDA BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

1. General information

Panda Bidco Limited is a holding company. The company is a private company limited by shares and is incorporated and registered in England. The company's registered number is 13194135. The address of the registered office is c/o Rubicon Partners, 8-12 York Gate, London, NW1 4QG.

The company was incorporated on 10 February 2021. The financial statements are for the first financial period ended 31 December 2021.

During the period ended 31 December 2021, the company shortened its year end from 9 February 2022 to 31 December 2021 to align with other group companies.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The financial statements have been presented in Pounds Sterling as this is the currency of the primary economic environment in which the company operates, and are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Panda Midco Limited as at 31 December 2021 and these financial statements may be obtained from Rubicon Partners, 8-12 York Gate, London, NW1 4QG.

PANDA BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Exemption from preparing consolidated financial statements

The company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.4 Going concern

These financial statements are prepared on the going concern basis which the directors consider to be appropriate for the reasons set out below.

The company had net liabilities of £3,045,224 and net current liabilities of £38,936,779 at the balance sheet date. The company funding comprises £39,129,363 payable to group undertakings with no fixed repayment date and £8,741,858 of bank debt which is repayable in monthly instalments with final payment in March 2026 (note 13 and 14).

In making their going concern assessment the directors have considered the future financial performance and liquidity of the company for a period in excess of 12 months from the date of authorisation of these financial statements. The company is continually forecasting its financial performance under a range of scenarios assessing the impact on profitability, funding, liquidity, funding covenants and capital position. These scenarios and stress tests are based on both historical experience and external factors, recognising the different geographic territories in which the company operates.

The directors have proactively discussed the ongoing impact of COVID in China with Shawbrook Bank, and have agreed new covenant tests up to and including 30 September 2023 due to the current macroeconomic climate. The directors have evaluated various forecast scenarios, along with the potential cost mitigating options available to the company. Specific severe downside scenarios have been assessed and management are confident that going forward they will maintain compliance with new, formally agreed covenants even in these stressed scenarios. The Group has a strong relationship with, and continued support from, its funders. Alongside this support from the funders the shareholders have injected £3,000k additional funds by the date of signing these financial statements.

More realistic scenarios have also been modelled which include assumptions around new business opportunities being negotiated plus a reasonable return to normal trading with China. The directors believe that these reflect a more realistic position as China begins its recovery.

The directors, having considered the above, are of the opinion that the company has adequate financial resources to continue in operational existence for at least 12 months from the date of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2.5 Turnover

Turnover, which excludes value added tax, represents the invoiced value of management services provided to other group companies and management services provided to third parties during the year. Turnover is recognised once the services have been performed.

PANDA BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.6 Interest payable and similar expenses

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

2.7 Taxation

Tax is recognised in Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

PANDA BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

At each balance sheet date investments are assessed to determine whether there is an indication that the investment may be impaired. If there is such an indication the recoverable amount of the asset is compared to the recoverable amount of the asset.

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

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Comprehensive Income.

If an impairment loss is subsequently reversed, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior periods.

A reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

2.9 Debtors

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

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Creditors

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

PANDA BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.12 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, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

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 reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

PANDA BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In applying the accounting policies, the Directors are required to make judgements, estimates and assumptions affecting the carrying values 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, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and assumptions.

An estimate or judgement may be considered critical if it involves matters that are highly uncertain or where different estimation methods could reasonably have been used, or if changes in the estimate that would have a material impact on the company's results are likely to occur from period to period. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Investments

The directors consider that the judgement of whether or not to impair the company's investments is critical. This judgement depends on the key estimate of their value. Please see note 2.8 for more detail regarding how this judgement and estimate is made.

Deferred consideration

Deferred consideration is calculated based on the best estimate of actual payment that is probable and can be reliably measured at the balance sheet date. This is then discounted to present value where the effects of discounting are material. The directors have estimated the discount rate using the Group's weighted average cost of capital. The present value of deferred consideration is recognised within creditors in Statement of Financial Position. Subsequent to initial recognition, any unwinding of discounting will be recognised within interest payable and similar expenses in Statement of Comprehensive Income in the period it arises.

With the exception of the estimates described above, the directors consider that there are no other significant judgements or estimates in the preparation of these financial statements.

4. Turnover

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

	Period ended 31 December 2021 £
Management charges to group companies	14,324
	<u>14,324</u>

All turnover arose within the United Kingdom.

PANDA BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

5. Operating loss

The operating loss is stated after charging:

	Period ended 31 December 2021 £
Management charges	8,980
	<u> </u>

6. Auditors' remuneration

	Period ended 31 December 2021 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	35,000
	<u> </u>

The company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the group accounts of the parent company.

Audit fees attributable to the group were borne by the company and not recharged to the group entities.

7. Employees

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

	Period ended 31 December 2021 No.
Directors	2
	<u> </u>

The directors did not receive any remuneration for their services to the company during the period.

PANDA BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

8. Interest payable and similar expenses

	Period ended 31 December 2021 £
Bank interest payable	487,343
Debt issue cost	110,036
Loans from group undertakings	723,000
Shareholders' loan interest payable	1,578,674
	<u>2,899,053</u>

9. Tax on loss

	Period ended 31 December 2021 £
Total current tax	<u>-</u>
Deferred tax	<u>-</u>
Total deferred tax	<u>-</u>
Tax on loss	<u>-</u>

PANDA BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

9. Tax on loss (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	Period ended 31 December 2021 £
Loss before tax	(3,045,225)
Loss before tax multiplied by standard rate of corporation tax in the UK of 19%	(578,593)
Effects of:	
Effects of group relief	578,593
Total tax charge for the period	-

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

PANDA BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

10. Investments

	Investments in subsidiary companies £
Cost	
At 10 February 2021	-
Additions	43,770,846
At 31 December 2021	<u>43,770,846</u>
Net book value	
At 31 December 2021	<u>43,770,846</u>

The additions during the period relate to the company acquiring Bamboo Distribution Limited on 4 March 2021.

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Bamboo Distribution Limited	Unit 5 lo Centre, Lea Road, Waltham Abbey, EN9 1AS	Distribution of electrical goods	Ordinary	100%
*Bamboo Environmental Ltd	Unit 5 lo Centre, Lea Road, Waltham Abbey, EN9 1AS	Dormant	Ordinary	100%
*Bamboo Elektronik Geri Donusum Sanayi ve Ticaret Sirketi	Kozyatagi İçerenköy, Mah. Umut Sok., No.10- 12, Atasehir Istanbul	Dormant	Ordinary	100%

* These entities are indirectly held by the company.

PANDA BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

11. Debtors: amounts falling due within one year

	31 December 2021 £
Other debtors	1

12. Cash and cash equivalents

	31 December 2021 £
Cash at bank and in hand	1,103,462

13. Creditors: amounts falling due within one year

	31 December 2021 £
Bank loans (see note 14 & 15)	862,567
Trade creditors	1,534
Amounts owed to group undertakings	39,129,363
Other creditors	6,778
Accruals and deferred income	40,000
	40,040,242

The amounts owed to group undertakings are unsecured, bear interest at 8% per annum and have no fixed repayment date. Included in amounts owed to group undertakings are accrued interest of £1,578,674.

PANDA BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

14. Creditors: amounts falling due after more than one year

	31 December 2021 £
Bank loans (see note 15)	7,879,291
	<u>7,879,291</u>

At 31 December 2021, bank loans A of £4,250,000, gross of £278,564 capitalised debt issue costs, were due to Shawbrook Bank Limited and were secured by a debenture creating a fixed charge over the assets of the company. These loans bear interest at a rate of 5.25% plus the higher of the LIBOR rate or 0.25% per annum, repay £83,300 monthly with final payment due in March 2026. Included in bank loans A are accrued interest of £20,493.

At 31 December 2021, bank loans B of £5,000,000, gross of £278,564 capitalised debt issue costs, were due to Shawbrook Bank Limited and were secured by a debenture creating a fixed charge over the assets of the company. These loans bear interest at a rate of 6.25% plus the higher of the LIBOR rate or 0.25% per annum and repayable on March 2026. Included in bank loans B are accrued interest of £28,493.

During the period £110,036 has been amortised and recorded as an interest expense.

15. Loans

Analysis of the maturity of loans is given below:

	2021 £
Amounts falling due within one year	
Bank loans	862,567
Amounts falling due 1-2 years	
Bank loans	862,567
Amounts falling due 2-5 years	
Bank loans	7,016,724
Total loans	<u>8,741,858</u>

Refer to note 14 for security of bank loans.

PANDA BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

16. Called up share capital

	31 December 2021 £
Allotted, called up and unpaid	
1 Ordinary share of £1	1
	<u>1</u>

The ordinary shares entitle each holder to one voting right and no right to fixed income.

At incorporation on 10 February 2021 the company issued 1 ordinary share with a nominal value of £1 at par value.

17. Related party transactions

The company is exempt from disclosing related party transactions as they are with other companies that are wholly owned within the group.

18. Post balance sheet events

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The directors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event.

19. Controlling party

The company's immediate parent is Panda Midco Limited, a company incorporated and registered in England. Panda Midco Limited is the smallest group into which the company's financial statements are consolidated. The company's ultimate parent undertaking is Panda Topco Limited, a company incorporated and registered in England, is the largest group into which the company's financial statements are consolidated.

Copies of the group financial statements for the immediate and ultimate parent undertaking may be obtained from Rubicon Partners, 8-12 York Gate, London, NW1 4QG, which is the address of the registered office of both of these companies.

The ultimate controlling party of the company is Rubicon Partners V Nominee, a company incorporated and registered in England, by virtue of its majority shareholding in Panda Topco Limited.