

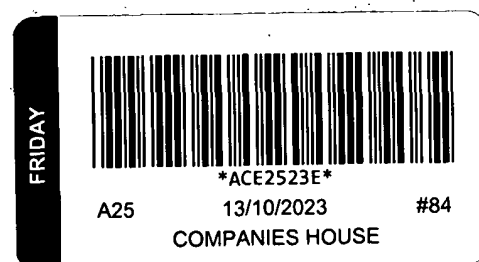
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Registered number: 03657539

Legend Brands Europe Holdings Limited

Directors' report and financial statements

For the year ended 31 May 2023



Legend Brands Europe Holdings Limited

Company Information

Directors	Ronnie Gene Holman John Thomas Ormsby (appointed 1 January 2023)
Registered number	03657539
Registered office	1 Chamberlain Square CS Birmingham B3 3AX
Independent auditor	Kreston Reeves LLP Chartered Accountants & Statutory Auditor 37 St Margaret's Street Canterbury Kent CT1 2TU

Legend Brands Europe Holdings Limited

Contents

	Page
Directors' report	1
Directors' responsibilities statement	2
Independent auditor's report	3 - 6
Statement of income and retained earnings	7
Balance sheet	8
Notes to the financial statements	9 - 18

Legend Brands Europe Holdings Limited

**Directors' report
For the year ended 31 May 2023**

The directors present their report and the financial statements for the year ended 31 May 2023

Principal activity

The principal activity of the company for the year under review was the provision of industrial and commercial dehumidifiers and airmovers, and the distribution of commercial cleaning and damage restoration products

Directors

The directors who served during the year were

William Edward Bruders (resigned 31 December 2022)
Ronnie Gene Holman
John Thomas Ormsby (appointed 1 January 2023)

Disclosure of information to auditor

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

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

Auditor

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

Small companies note

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

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



John Thomas Ormsby
Director

Date 21 September 2023

Legend Brands Europe Holdings Limited

Directors' responsibilities statement For the year ended 31 May 2023

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

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

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in directors' reports may differ from legislation in other jurisdictions.

Legend Brands Europe Holdings Limited

Independent auditor's report to the members of Legend Brands Europe Holdings Limited

Opinion

We have audited the financial statements of Legend Brands Europe Holdings Limited (the 'company') for the year ended 31 May 2023, which comprise the statement of income and retained earnings, the balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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 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.

Legend Brands Europe Holdings Limited

Independent auditor's report to the members of Legend Brands Europe Holdings Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, 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.

Legend Brands Europe Holdings Limited

Independent auditor's report to the members of Legend Brands Europe Holdings Limited (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the company and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and taxation legislation.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements, (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate revenue or expenditure. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management; and
- Assessment of identified fraud risk factors; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

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

Legend Brands Europe Holdings Limited

Independent auditor's report to the members of Legend Brands Europe Holdings Limited (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.



Rodney Sutton BA FCA FCCA CA(SA) (senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Canterbury

22 September 2023

Legend Brands Europe Holdings Limited

Statement of income and retained earnings For the year ended 31 May 2023

	2023 £	2022 £
Turnover	4,235,501	5,100,241
Cost of sales	(3,088,867)	(3,174,301)
Gross profit	1,146,634	1,925,940
Administrative expenses	(1,117,256)	(758,360)
Operating profit	29,378	1,167,580
Interest receivable and similar income	6,970	10,780
Profit before tax	36,348	1,178,360
Tax on profit	(6,712)	(219,808)
Profit after tax	29,636	958,552
Retained earnings at the beginning of the year	3,916,418	2,957,866
Profit for the year	29,636	958,552
Retained earnings at the end of the year	3,946,054	3,916,418

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of income and retained earnings.

The notes on pages 9 to 18 form part of these financial statements.

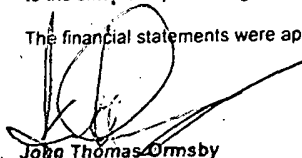
Legend Brands Europe Holdings Limited
Registered number: 03657539

Balance sheet
As at 31 May 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	4	16,360	20,621
Current assets			
Stocks		2,550,827	1,651,347
Debtors: amounts falling due within one year	5	1,489,693	2,675,351
Cash at bank and in hand		365,831	249,101
		<u>4,406,351</u>	<u>4,575,799</u>
Creditors: amounts falling due within one year	6	(360,052)	(610,307)
Net current assets		<u>4,046,299</u>	<u>3,965,492</u>
Total assets less current liabilities		<u>4,062,659</u>	<u>3,986,113</u>
Provisions for liabilities			
Other provisions	7	(116,603)	(69,693)
Net assets		<u><u>3,946,056</u></u>	<u><u>3,916,420</u></u>
Capital and reserves			
Called up share capital	8	2	2
Profit and loss account		<u>3,946,054</u>	<u>3,916,418</u>
		<u><u>3,946,056</u></u>	<u><u>3,916,420</u></u>

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

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


John Thomas Ormsby
 Director

Date: 21 September 2023

The notes on pages 9 to 18 form part of these financial statements

Legend Brands Europe Holdings Limited

Notes to the financial statements For the year ended 31 May 2023

1. General information

Legend Brands Europe Holdings Limited is a private company limited by shares and is incorporated in England with the registration number 03657539. The address of the registered office is 1 Chamberlain Square CS, Birmingham, B3 3AX.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The financial statement are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Going concern

The current economic conditions continue to create uncertainty within the company's operating environment. The company's forecasts and projections, taking into account possible changes in performance arising from this uncertainty, show that the company should be able to operate within the level of its current resources and facilities. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The directors continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Revenue

Revenue comprises income arising from the supply of dehumidifiers, cleaning products and damage restoration goods:

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

Sale of goods

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

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

Legend Brands Europe Holdings Limited

Notes to the financial statements For the year ended 31 May 2023

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is pounds sterling.

Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.5 Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.7 Interest income

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

Legend Brands Europe Holdings Limited

Notes to the financial statements For the year ended 31 May 2023

2. Accounting policies (continued)

2.8 Current and deferred taxation

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

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

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

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

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Legend Brands Europe Holdings Limited

Notes to the financial statements For the year ended 31 May 2023

2. Accounting policies (continued)

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant & machinery	-	20%
Motor vehicles	-	20%
Fixtures & fittings	-	20%
Leasehold property improvements	-	20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 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.

2.12 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.

Legend Brands Europe Holdings Limited

Notes to the financial statements For the year ended 31 May 2023

2. Accounting policies (continued)

2.13 Creditors

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

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

Legend Brands Europe Holdings Limited

Notes to the financial statements For the year ended 31 May 2023

2. Accounting policies (continued)

2.15 Financial instruments

The company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

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 company after the deduction of all its liabilities.

Legend Brands Europe Holdings Limited

Notes to the financial statements For the year ended 31 May 2023

2. Accounting policies (continued)

2.15 Financial instruments (continued)

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the company will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

3. Employees

The average monthly number of employees, including directors, during the year was 9 (2022 - 11).

Legend Brands Europe Holdings Limited

**Notes to the financial statements
For the year ended 31 May 2023**

4. Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Leasehold property improvements £	Total £
Cost					
At 1 June 2022	39,950	19,750	45,485	181,900	287,085
Additions	1,523	-	-	-	1,523
At 31 May 2023	41,473	19,750	45,485	181,900	288,608
Depreciation					
At 1 June 2022	33,071	19,750	31,743	181,900	266,464
Charge for the year on owned assets	2,266	-	3,518	-	5,784
At 31 May 2023	35,337	19,750	35,261	181,900	272,248
Net book value					
At 31 May 2023	6,136	-	10,224	-	16,360
At 31 May 2022	6,879	-	13,742	-	20,621

5. Debtors

	2023 £	2022 £
Trade debtors	607,267	799,658
Amounts owed by group undertakings	782,127	1,620,933
Other debtors	33,240	196,200
Prepayments and accrued income	61,889	51,102
Deferred taxation	5,170	7,458
	<u>1,489,693</u>	<u>2,675,351</u>

Included within amounts owed by group undertakings are funds of £782,127 (2022 - £1,620,933) due to the company under the terms of group treasury arrangements administered to RPOW UK Limited, a fellow group undertaking.

Legend Brands Europe Holdings Limited

Notes to the financial statements For the year ended 31 May 2023

6. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	97,107	300,324
Amounts owed to group undertakings	158,750	3,967
Corporation tax	8,303	225,113
Other taxation and social security	76,548	9,351
Other creditors	2,688	1,040
Accruals and deferred income	16,656	70,512
	360,052	610,307

Credit facilities provided by Lloyds Bank plc are secured by way of an unlimited debenture incorporating a fixed and floating charge held over all assets of the company.

7. Provisions

	Dilapidation provision £	Warranty provision £	Total £
At 1 June 2022	60,576	9,117	69,693
Charged to profit or loss	39,424	7,486	46,910
At 31 May 2023	100,000	16,603	116,603

Dilapidation provision

The lease terms of a property occupied by the company require the premises to be reinstated to the same condition in which they were before any alterations were made. These costs have been considered and will continue to be recognised over the remaining term of the lease agreement.

Warranty provision

Provision is made for anticipated future costs under the terms of warranties offered to customers. These provisions require management's best estimate of the costs that will be incurred based on their experience and contractual requirements.

Legend Brands Europe Holdings Limited

Notes to the financial statements For the year ended 31 May 2023

8. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
2 (2022 - 2) Ordinary shares of £1.00 each	<u>2</u>	<u>2</u>

9. Commitments under operating leases

At 31 May 2023 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	12,277	73,632
Later than 1 year and not later than 5 years	16,018	10,611
Later than 5 years	-	984
	<u>28,295</u>	<u>85,227</u>

10. Related party transactions

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

All other related party transactions during the current and prior periods, including key management personnel compensation, were made under normal market conditions.

11. Controlling party

The company is a wholly owned subsidiary undertaking of Dri-Eaz Products Inc., a company incorporated in the United States of America.

The directors regard RPM International Inc., a company incorporated in the United States of America, to be the company's ultimate parent undertaking. RPM International Inc. is the smallest and largest group for which consolidated financial statements are prepared, which can be found on its website www.rpminc.com. RPM International Inc. is registered at 2628 Pearl Road, Medina, Ohio, USA.