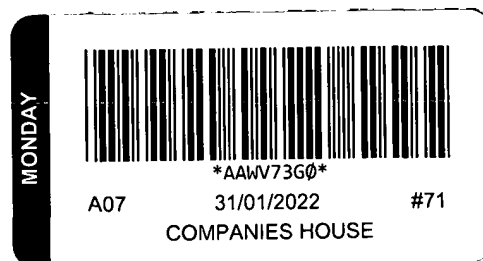


Company Registration No. 12683167 (England and Wales)

# **BENSONSFORBEDSMANUFACTURING LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 30 APRIL 2021**



# **BENSONSFORBEDSMANUFACTURING LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	Mr A C Williams	(Appointed 6 August 2020)
	Mr J H Sidebotham	(Appointed 30 June 2020)
	Mr M X Jackson	(Appointed 30 June 2020)
	Mr J Wykes	(Appointed 6 August 2020 and resigned 16 July 2021)
	Mr H A Vos	(Appointed 19 June 2020 and resigned 28 September 2020)

**Company number** 12683167

**Registered office** 3rd Floor The Globe Centre  
1 St James Square  
Accrington  
BB5 0RE

**Auditor** MHA Moore and Smalley  
Sixth Floor  
80 Mosley Street  
Manchester  
M2 3FX

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# **BENSONSFORBEDSMANUFACTURING LIMITED**

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# **BENSONSFORBEDSMANUFACTURING LIMITED**

## **STRATEGIC REPORT**

**FOR THE PERIOD ENDED 30 APRIL 2021**

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The directors present the strategic report for the period ended 30 April 2021.

### **PRINCIPAL ACTIVITY AND FUTURE DEVELOPMENT**

The Company was incorporated on the 19 June 2020 and trading began 30 June 2020. The principal activity of the Group is the retail sale of beds, mattresses and associated products and services undertaken by BensonsforbedsRetail Limited ("BBR"), trading under the name of "Bensons for Beds". The Group is also supported by manufacturing capabilities in the United Kingdom, undertaken by BensonsforbedsManufacturing Limited ("BBM" or "The Company"). BensonsforbedsHoldco Limited ("BBH") is the holding company of the Group. The highest level parent entity in the UK is BlueGroup BidCo Limited.

### **REVIEW OF THE BUSINESS**

BBH, BBR and BBM purchased the trade and certain assets of the business "Bensons for Beds" from the Administrators of the Blue Group HoldCo Limited group, to form the operating activities of the Company which commenced trading on the acquisition day of 30 June 2020. Blue Group HoldCo Limited is the former parent company of Bensons for Beds and Harveys Furniture. Details of the transaction can be found in the accounts of BlueGroup BidCo Limited.

For a complete overview of the key activities that have taken place in the Group since incorporation, as well as a comprehensive overview of the Strategic Vision of the Group, please refer to the accounts of BBH.

Turnover of £29.3m reflects the manufacture and sale of divan beds and mattresses from 30 June 2020, when the entity began trading, to 30 April 2021. Operating profit for the period was £1.5m.

### **Key Performance Indicators**

The business uses a number of weekly and monthly operational KPIs to manage the performance of the business, focused on trading effectiveness, service proposition and business overheads. These KPIs are the gross profit margin and the operating profit margin and are aligned to overall strategic targets. Going forward the Company will report a set of KPI's that accurately set out the underlying performance of the business.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

#### **COVID-19**

The Company has ensured that all government guidelines and regulations have been adhered to, with priority being the safety and well-being of our colleagues and customers. The COVID-19 pandemic continues to be a worldwide crisis and the situation is still uncertain. Since March 2020, when the pandemic became apparent, the Company has put in place a number of measures to adapt to the evolving situation. For example, a significant number of employees continue to work from home. To support seamless homeworking, the Company has modified its IT infrastructure, IT security and deployed collaboration tools. Our focus is manufacturing, supplying and delivering as much as we can in as safe a manner as possible, and balancing levels of supply with demand in the best way possible for both the short and medium-term future of the business.

#### **Price risk**

Competitive pressure in the UK is a continuing risk for the Company. The Company manages this risk by providing value added products and services to its customers at competitive prices and by providing a high level of service and quality. Input prices are causing suppliers to increase their prices. The impact is a reduced margin if these increases are passed onto the Company without us being able to pass these on to the customer. We work hard with our core strategic suppliers to mitigate cost price increases allowing us to maintain margins and the high quality of our products.

#### **Operational risk**

The business operates from a single site and a business continuity plan is in place to minimise the impact of any business interruption.

# **BENSONSFORBEDSMANUFACTURING LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE PERIOD ENDED 30 APRIL 2021**

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### **Liquidity risk**

Liquidity risk for the Company arises from the management of working capital commitments and meeting its financial obligations as they fall due. The Company's policy is to review cash flow forecasts and projections regularly as well as information regarding cash balances to ensure that it has significant cash to allow it to meet its liabilities as they fall due.

### **Supplier risk**

The Group has key supplier partnerships both domestically and abroad and we work with our suppliers to ensure minimal disruption. The Group has its own manufacturing capacity which reduces the risks associated with suppliers.

### **Customer risk**

The company sells exclusively to BensonsforbedsRetail Limited who supply our end customers. The company is reliant on BensonsforbedsRetail Limited purchasing its products. The intention is for this arrangement to remain in place, going forward.

### **Breaches of IT and Information Security**

We invest in developing our technology systems and in developing the IT skills and capabilities across our business. We continue to actively monitor and mitigate any cyber-threats and suspicious IT activity. We have established Company IT security policies, technologies, and processes.

### **Environmental risk**

The ever-increasing focus on the environmental footprint of the business with government regulation and intervention is a developing risk for the company. The company is focused on improving its sustainability by setting a target of Net Zero by 2040 and is developing a detailed sustainability strategy.

### **Regulatory environment**

The Company is subject to increasing levels of compliance requirements from regulatory and other authorities including, but not limited to, the Information Commissioner's Office, Environment Agency, Trading Standards Institute and Health and Safety Executive. We have clear accountabilities and policies for key risk areas and internal controls (including an internal audit team) that are focused on compliance and refresher training. The oversight of controls and compliance will ultimately rest with the board of directors. The Audit and Risk Committee will support the board in actively monitor control improvements and non-compliance.

### **Streamlined Energy and Carbon Reporting**

In compliance with UK reporting requirements (Streamlined Energy and Carbon Reporting), the Company are exempt from reporting as the Company is a medium sized company. However, the Company's results are included in the consolidated financial statements of BensonsforbedsHoldco Limited and Bluegroup Bidco Limited.

### **Promoting the success of the company**

The directors are required to act in a way which they consider, in good faith, is most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, have regard (amongst other matters) to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006.

The following section serves as the Company's section 172 statement and describes how the directors take into account such stakeholder and other matters in carrying out their duties and the impact on decision-making. Regardless of the legal duties, the directors consider regular engagement with stakeholders to be part and parcel of our value of progressing through collaboration and to be fundamental to the success of the Company.

# **BENSONSFORBEDSMANUFACTURING LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE PERIOD ENDED 30 APRIL 2021**

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### **Board structure and engagement with stakeholders**

The business is governed by an oversight board for the Group (the "Board") sitting at the BensonsforbedsHoldCo (the company's immediate parent company) level to consider shareholder reserved matters. Day to day responsibilities are managed by Operating boards in the Bensonsforbedsretail Limited and Bensonsforbedsmanufacturing Limited subsidiaries. The Board and Operating boards meet regularly to jointly take executive decisions and includes a shareholder Investment Director and other shareholder representatives who fully participate in the decision-making process. The Board and Operating boards consider principal stakeholders and how we engage with them.

The outcome of stakeholder engagement influences the formulation and on-going review of our long-term strategy and financial planning. This ensures our approach continues to deliver sustainable returns and promotes our reputation.

The Directors aim to take the needs and priorities of each stakeholder group into account as part of their decision-making processes, recognising that the appropriateness of a stakeholder group may vary depending upon the matter under discussion.

### **Key Stakeholders**

The Board has identified the following stakeholder groups with whom engagement is fundamental to the group's ongoing success:

#### **Consumers/Customers**

Whilst our only customer is a fellow Group subsidiary, our ultimate customers are the buyers of our beds and mattresses, which are regarded for quality, and comfort. We are proud of the heritage, quality and relevancy of the products we manufacture, and we apply insight, knowledge, experience, and care to meet and exceed customer needs both now and in the future.

We continue to strive to improve our ranges as we try to understand our end consumers. We always look to offer our products at competitive pricing levels to provide the opportunity for more consumers to be able to experience a variety of sleep solutions.

#### **Suppliers**

Our Supplier Code of Conduct sets out our values and standards on how we work and engage with our suppliers on ethical, environmental, and other relevant matters including on key issues such as payment practices, responsible sourcing, supply chain sustainability and human rights and modern slavery.

The Board understands the importance of our suppliers and invests in collaborative and long-term relationships.

#### **Colleagues**

During the COVID-19 lockdown period, it has been even more important to keep conversations and connections alive within the business. To this extent, we have had regular COVID-19 updates and Q&A sessions, Leadership catch-ups and monthly company briefings and workshops. We have also provided positive Well-being and Mental Health sessions (with the charity Mind being one of our charity partners) which have been well attended. The Company relies on the skills, experience, and commitment of our people to meet our business goals.

The Company recognises the value of good employee relations and communications. We have an active Employee Engagement programme with a plan for regular staff surveys seeking feedback on the business to better meet the needs of our employees and create a great place to work.

# BENSONSFORBEDSMANUFACTURING LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2021

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The Board aim to attract and retain high-quality employees, providing them with the right tools, development and information to be effective in their roles. Bensonsforbedsmanufacturing is committed to offering equal opportunities to all people in their recruitment, training, continuing employment and career development, having regard for their aptitudes and abilities. Full and fair consideration is given to applicants with disabilities and every effort is made to give employees who become disabled whilst employed by the Company, an opportunity for retraining. It is Company policy that the training, career development and promotion of disabled persons should, as far as possible, be the same as that of other employees.

### **Local Community and Environment**

The Company continues to invest in the local community by focussing on our carbon footprint and providing employment opportunities for local people. The Company engages with its consumers through surveys, social media and information lines, ensuring their feedback is properly taken into account.

The Company works closely with its factory and warehousing facilities, collaborating with them to meet the highest possible standards to ensure workers are paid a fair wage, work fair hours, in a safe environment.

### **Regulatory/Government agencies**

The Company can be impacted by changes in laws and public policy including issues such as COVID-19 and Brexit. To mitigate the Company's exposure to such risks the directors engage with the British Retail Consortium (BRC) and the National Bed Federation, to contribute to, and anticipate important changes in public policy.

### **Principal decisions**

Principal decisions are defined as both those that are material to the Group as well as those that are significant to any of our key stakeholders. As part of the principal decision-making process, the Directors consider the interests of stakeholders as well as the need to maintain a reputation for high standards of business conduct and to act fairly.

### **Protecting our Workforce**

In response to the COVID-19 pandemic, our manufacturing site has been adapted to protect our workforce and to ensure that supply has been maintained. It was of vital importance that our business continued to supply sleeping solutions, and in sufficient quantities to meet the exceptional demand we have seen over the period

On behalf of the board



.....  
**Mr M X Jackson**  
**Director**

22/11/2021  
.....

# **BENSONSFORBEDSMANUFACTURING LIMITED**

## **DIRECTOR'S REPORT**

### **FOR THE PERIOD ENDED 30 APRIL 2021**

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The directors present their report and audited financial statements of Bensonsforbedsmanufacturing Limited for the period ended 30 April 2021.

Bensonsforbedsmanufacturing Limited ("The Company") is a private company limited by shares incorporated and domiciled in the United Kingdom. The Company and parents registered office is detailed at the front of these financial statements.

As permitted by legislation, some of the matters normally included in the Directors' report have instead been included in the Strategic report and the notes to the financial statements.

#### **Results and dividends**

The trading results for the period and the Company's financial position at the end of the period are shown in the attached financial statements. No dividend was paid in the current period.

#### **Directors**

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Mr J Wykes	(Appointed 6 August 2020 and resigned 16 July 2021)
Mr A C Williams	(Appointed 6 August 2020)
Mr J H Sidebotham	(Appointed 30 June 2020)
Mr M X Jackson	(Appointed 30 June 2020)
Mr H A Vos	(Appointed 19 June 2020 and resigned 28 September 2020)

#### **Directors' interests**

At 30 April 2021 the directors had no beneficial interests in the share capital of the Company.

#### **Going concern**

Since the outbreak of Covid-19, the Directors have been working to understand the evolving potential risks and mitigating responses across the company and supply chain. Whilst these are unprecedented times, the priority for the Directors have been and will continue to be ensuring that the company's sites and other places of work are as safe as possible for its staff.

The Directors are continuing to work through the daily challenges of the virus and are putting in appropriate measures to protect its most vulnerable employees, complying with the Government guidance and restrictions. All factories have been rapidly transformed with appropriate PPE and suitable distancing measures between individuals to ensure colleagues can work safely and in line with guidelines.

The Company has access to facility agreements due to mature in June 2023 and as at the time of this Going Concern assessment, the Company has cash reserves of £5m. With the expectation that the government will provide appropriate support in the event of further prolonged lockdowns (government grants, furlough, Council rates relief), the directors believe that the Company has adequate resources to continue in operation for 12 months from the date of signing of these financial statements.

The Company has significant cash resources and operating headroom to support the activities of the business. Positive net operating cash flow predictions will support the Company's ability to meet interest obligations as and when they fall due.

These considerations included the board's stress testing of cash flow forecasts, and an assessment of any developments that would adversely affect that conclusion. After making enquiries, the Directors believe 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 Annual Report and Financial Statements.



# **BENSONSFORBEDSMANUFACTURING LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE PERIOD ENDED 30 APRIL 2021**

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The Company is highly dependent on Bensonsforbedsretail Ltd as the sole customer of the business, the financial health of this company and the ongoing financial support. The directors of Bensonsforbedsretail Limited have confirmed the business is a going concern and will continue to support the Company necessary for the Company to trade and meet its liabilities as and when they become due for a period of at least twelve months from the date of signing of these financial statements.

### **Qualifying third party indemnity provisions**

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third-party provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial period and is currently in force.

### **Supplier payment policy**

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

### **Research and development**

The Company continues to undertake research and development in the pursuit of new and improved products. All research and development costs are expensed as incurred.

### **Disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of colleagues becoming disabled, every effort is made to ensure that their employment within the company's continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### **Employee involvement**

Details of how the directors have engaged with employees and how the directors have had regard to employee interests, and the effect of that regard including on the principal decisions taken by the Company are set out within the s.172 statement included in the Strategic Report.

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and MHA Moore and Smalley LLP will therefore continue in office.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

### **Anti-bribery and corruption**

The Company is committed to acting professionally, fairly and with integrity in all its business dealings. As part of its commitment to ethical business practices, the Company will not tolerate any form of bribery or corruption. The Company maintains a comprehensive Anti-Bribery and Corruption policy which outlines the behaviour and principles required to support this commitment.

# **BENSONSFORBEDSMANUFACTURING LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE PERIOD ENDED 30 APRIL 2021**

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### **Health, safety and environmental reporting**

The Company keeps its safety, health and environmental performance and levels of legal compliance under regular review and ensures that its risk management controls are appropriate and effective. The Company's board of directors' reviews these at least annually. The Company operates a comprehensive environmental policy, complying with legislation, standards, and best practice.

### **Political donations**

No political donations were made during the financial period.

On behalf of the board



.....  
**Mr M X Jackson**

**Director**

22/11/2021  
.....

# **BENSONSFORBEDSMANUFACTURING LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

**FOR THE PERIOD ENDED 30 APRIL 2021**

---

The directors are responsible for preparing the Strategic report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 and then apply them consistently;
- make judgements and 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 parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect 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 UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board



.....  
**Mr M X Jackson**  
**Director**

22/11/2021  
.....

# **BENSONSFORBEDSMANUFACTURING LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF BENSONSFORBEDSMANUFACTURING LIMITED**

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#### **Opinion**

We have audited the financial statements of Bensonsforbedsmanufacturing Limited (the 'company') for the year ended 30 April 2021 which comprise the statement of comprehensive income, the statement of financial position, 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 101 'Reduced Disclosure Framework' (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 30 April 2021 and of its profit 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 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.

# **BENSONSFORBEDSMANUFACTURING LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF BENSONSFORBEDSMANUFACTURING 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.

#### **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 specific procedures for this engagement and extent to which these are capable of detecting irregularities, including fraud are detailed below.

- Enquiries with management about any known or suspected instances of fraud and non-compliance with laws and regulations;
- Challenging assumptions and judgments made by management in their key accounting estimates, in particular in relation to provisions, leases and future performance in light of the impact of Brexit and COVID-19;
- Testing journal entries and other adjustments made in preparation of the financial statements; and
- Reviewing board minutes and legal and professional expenditure to identify any evidence of ongoing litigation or enquiries.

We identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law (including the Working Time Directive); and compliance with the UK Companies Act.

## **BENSONSFORBEDSMANUFACTURING LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF BENSONSFORBEDSMANUFACTURING LIMITED**

---

Because of the field in which the client operates, we identified that employment law, health and safety legislation and compliance with the UK Companies Act are the areas most likely to have a material impact on the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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

#### **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.

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.

*MHA Moore and Smalley*

**Alexander Kelly (Senior Statutory Auditor)**  
**For and on behalf of MHA Moore and Smalley**  
**Chartered Accountants**  
**Statutory Auditor**

Sixth Floor  
80 Mosley Street  
Manchester  
M2 3FX

22/11/2021  
.....

**BENSONSFORBEDSMANUFACTURING LIMITED****STATEMENT OF COMPREHENSIVE INCOME****FOR THE PERIOD ENDED 30 APRIL 2021**

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		<b>Period ended 30 April 2021</b>
	<b>Notes</b>	<b>£'000</b>
<b>Revenue</b>	<b>3</b>	29,344
Cost of sales		(21,028)
		<hr/>
<b>Gross profit</b>		8,316
Distribution costs		(6,798)
Administrative expenses		(198)
Other operating income		297
Other operating expenses		(75)
		<hr/>
<b>Operating profit</b>	<b>4</b>	1,542
Interest payable and finance costs	<b>8</b>	(712)
		<hr/>
<b>Profit before taxation</b>		830
Tax on profit	<b>9</b>	-
		<hr/>
<b>Profit and total comprehensive income for the financial period</b>		<b>830</b>

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The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

**BENSONSFORBEDSMANUFACTURING LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 30 APRIL 2021**

	Notes	£	30 April 2021 £'000
<b>Non-current assets</b>			
Negative goodwill	10		(197)
Property, plant and equipment	11		6,915
			<hr/>
			6,718
<b>Current assets</b>			
Inventories	12	2,868	
Trade and other receivables	13	6,358	
Cash and cash equivalents		3,966	
		<hr/>	
		13,192	
<b>Current liabilities</b>	14	(5,810)	
		<hr/>	
<b>Net current assets</b>			7,382
			<hr/>
<b>Total assets less current liabilities</b>			14,100
<b>Non-current liabilities</b>	14		(10,170)
<b>Provisions for liabilities</b>			
Other provisions	18		(3,100)
			<hr/>
<b>Net assets</b>			830
			<hr/>
<b>Equity</b>			
Called up share capital	21		-
Retained earnings			830
			<hr/>
<b>Total equity</b>			830
			<hr/>

The accounting policies and notes, starting on page 15, are an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 22/11/2021  
and are signed on its behalf by:



.....  
**Mr J H Sidebotham**  
**Director**

**Company Registration No. 12683167**



**BENSONSFORBEDSMANUFACTURING LIMITED****STATEMENT OF CHANGES IN EQUITY****FOR THE PERIOD ENDED 30 APRIL 2021**

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	<b>Share capital £000</b>	<b>Retained earnings £'000</b>	<b>Total £'000</b>
<b>At incorporation 19 June 2020:</b>			
Share Issue	-	-	-
<b>For the period ended 30 April 2021</b>			
Profit and total comprehensive income for the period	-	830	830
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 April 2021</b>	-	830	830
	<hr/>	<hr/>	<hr/>

# **BENSONSFORBEDSMANUFACTURING LIMITED**

## **ACCOUNTING POLICIES**

**FOR THE PERIOD ENDED 30 APRIL 2021**

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### **1 Accounting policies**

#### **Company information**

Bensonsforbedsmanufacturing Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3rd Floor The Globe Centre, 1 St James Square, Accrington, BB5 0RE.

The principal activities of the business in the group, to which the company belongs, are the manufacture and distribution of beds and associated products, sold primarily to the UK market.

#### **1.1 Accounting convention**

The principal accounting policies applied in the preparation of these financial statements are set below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000s.

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006. The principal accounting policies adopted are set out below.

As permitted by FRS 101, the company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

- inclusion of an explicit and unreserved statement of compliance with IFRS;
- presentation of a statement of cash flows and related notes;
- disclosure of the objectives, policies and processes for managing capital;
- comparative period reconciliations for the number of shares outstanding and the carrying amounts of property, plant and equipment, intangible assets, investment property and biological assets
- disclosure of key management personnel compensation;
- disclosure of the categories of financial instrument and the nature and extent of risks arising on these financial instruments;
- the effect of financial instruments on the statement of comprehensive income;
- disclosure of the future impact of new International Financial Reporting Standards in issue but not yet effective at the reporting date;
- comparative narrative information;
- for financial instruments, investment property and biological assets measured at fair value and within the scope of IFRS 13, the valuation techniques and inputs used to measure fair value, the effect of fair value measurements with significant unobservable inputs on the result for the period and the impact of credit risk on the fair value; and
- related party disclosures for transactions with the parent or wholly owned members of the group.
- disclosure on the details regarding the impairment of intangible assets

Where required, equivalent disclosures are given in the group accounts of Bensonsforbedsholdco Limited. The group accounts of Bensonsforbedsholdco Limited are available to the public.

# **BENSONSFORBEDSMANUFACTURING LIMITED**

## **ACCOUNTING POLICIES**

**FOR THE PERIOD ENDED 30 APRIL 2021**

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### **1 Accounting policies**

#### **1.1 Business combinations**

Bensonsforbedsmanufacturing Limited is a wholly owned subsidiary of Bensonsforbeds Holdco Limited and the results of Bensonsforbedsmanufacturing are included in the consolidated financial statements of Bluegroup BidCo Limited which are available from Fifth Floor, 15-16 Brook's Mews, London, United Kingdom, W1K 4DS.

#### **1.2 Going concern**

Since the outbreak of Covid-19, the Directors have been working to understand the evolving potential risks and mitigating responses across the company and supply chain. Whilst these are unprecedented times, the priority for the Directors has been and will continue to be ensuring that the company's sites and other places of work are as safe as possible for its staff.

The Directors are continuing to work through the daily challenges of the virus and are putting in appropriate measures to protect its most vulnerable employees and complying with the Government guidance and restrictions. The manufacturing site has been rapidly transformed with appropriate PPE and suitable distancing measures between individuals to ensure colleagues can work safely and in line with guidelines.

The Company has access to facility agreements due to mature and as at the time of this Going Concern assessment, the Company has cash reserves of £5m. With the expectation that the government will provide appropriate support in the event of further prolonged lockdowns (government grants, furlough, Council rates relief), the directors believe that the Company has adequate resources to continue in operation for 12 months from the date of signing of these financial statements.

The Company is highly dependent on Bensonsforbedsretail Ltd as the sole customer of the business, the financial health of this company and the ongoing financial support. The directors of Bensonsforbedsretail Limited have confirmed the business is a going concern and will continue to support the Company necessary for the Company to trade and meet its liabilities as and when they become due for a period of at least twelve months from the date of signing of these financial statements.

# **BENSONSFORBEDSMANUFACTURING LIMITED**

## **ACCOUNTING POLICIES**

**FOR THE PERIOD ENDED 30 APRIL 2021**

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### **1 Accounting policies**

#### **1.3 Revenue**

The Company derives revenue from Bensonforbedsretail Limited relating to sales of beds and mattresses. The primary performance obligation is the delivery of beds and mattresses to the location specified in the sales contract. This is the point at which control is considered to have passed to the customer, and revenue from both the sale of the goods and the associated delivery service is recognised.

Revenue is measured at the fair value of the consideration received or receivable, net of discount vouchers, promotions, and VAT. At the point that revenue is recognised, a provision is also taken for any future returns that may occur under the rights of return in the original contract. The Company offers guarantees on its products to replace faulty goods. The provision for returns is calculated based on estimated return rates and then subsequently adjusted as returns are incurred. An associated right of return asset is recognised in inventory, representing the value of the products that are expected to be returned from the customer.

#### **1.4 Goodwill**

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less impairment losses.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is subsequently reversed if, and only if, the reasons for the impairment loss have ceased to apply.

Negative goodwill has been treated in accordance with FRS 101, and as such has been shown on the balance sheet and then amortised through the income statement. Amortisation has been calculated based upon the average life of the inventory and plant and machinery purchased as part of the acquisition, as follows:

Inventory	0.5 years
Plant and machinery	2.5 years

#### **1.5 Property, plant and equipment**

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method. Residual value and useful economic lives are reviewed at each period end, with the effect of any changes in estimate accounted for on a prospective basis.

The following useful lives are used in the calculation of depreciation:

Plant and Machinery	10 years
Fixtures and Fittings	10 years
Office and IT Equipment	3-5 years
Motor Vehicles	5 years

# **BENSONSFORBEDSMANUFACTURING LIMITED**

## **ACCOUNTING POLICIES**

**FOR THE PERIOD ENDED 30 APRIL 2021**

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### **1 Accounting policies**

The gain or loss arising on the disposal of an asset or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the income statement.

#### **1.6 Impairment of tangible assets**

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### **1.7 Inventories**

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price less applicable variable selling expenses. Where necessary, provision is made to reduce the carrying value to no less than net realisable value, having regard to the nature and condition of the inventory.

#### **1.8 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### **1.9 Financial assets**

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

# **BENSONSFORBEDSMANUFACTURING LIMITED**

## **ACCOUNTING POLICIES**

**FOR THE PERIOD ENDED 30 APRIL 2021**

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### **1 Accounting policies**

#### ***Financial assets at fair value through profit or loss***

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognised initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

#### ***Financial assets held at amortised cost***

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (e.g. trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

#### ***Financial assets at fair value through other comprehensive income***

The company has made an irrevocable election to recognise changes in fair value of investments in equity instruments through other comprehensive income, not through profit or loss. A gain or loss from fair value changes will be shown in other comprehensive income and will not be reclassified subsequently to profit or loss. Equity instruments measured at fair value through other comprehensive income are recognised initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to retained earnings when equity instrument is derecognised, or its fair value substantially decreased. Dividends are recognised as finance income in profit or loss.

#### ***Impairment of financial assets***

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

### **1.10 Financial liabilities**

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

# **BENSONSFORBEDSMANUFACTURING LIMITED**

## **ACCOUNTING POLICIES**

**FOR THE PERIOD ENDED 30 APRIL 2021**

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### ***Financial liabilities at fair value through profit or loss***

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

### ***Other financial liabilities***

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

## **1.11 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

## **1.12 Provisions**

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event and it is probable that the company 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 reporting end 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 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.

The timing of cash outflows are by their nature uncertain and are therefore best estimates. Provisions are discounted if the time value of money is material to the provisions recognised.

# **BENSONSFORBEDSMANUFACTURING LIMITED**

## **ACCOUNTING POLICIES**

**FOR THE PERIOD ENDED 30 APRIL 2021**

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### **1 Accounting policies**

#### **1.13 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.14 Retirement benefits**

The Company operates a defined contribution pension.

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid to publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.15 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.



# BENSONSFORBEDSMANUFACTURING LIMITED

## ACCOUNTING POLICIES

FOR THE PERIOD ENDED 30 APRIL 2021

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### ***Deferred tax***

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

### **1.16 Leases**

At inception, the company assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the company is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

# **BENSONSFORBEDSMANUFACTURING LIMITED**

## **ACCOUNTING POLICIES**

**FOR THE PERIOD ENDED 30 APRIL 2021**

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### **1 Accounting policies**

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the company's estimate of the amount expected to be payable under a residual value guarantee; or the company's assessment of whether it will exercise a purchase, extension, or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

The Company has applied the following expedients:

- Hindsight to determine lease term
- Treat long-term leases with less than 12 months remaining at the date of initial application as short-term leases
- Relief from accounting for low value assets
- Exclude direct costs from right of use asset measurement
- Single discount rate for portfolio of similar leases

The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

#### **1.17 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

The Group's historical financial information is presented in Pounds Sterling (£GBP), which is also the parent Group's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group at the respective functional currency rates at the date the transaction first qualifies for recognition. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period.

#### **1.18 Government grants**

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received, and the group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in profit and loss over the period necessary to match them with the costs that they are intended to compensate.

# **BENSONSFORBEDSMANUFACTURING LIMITED**

## **ACCOUNTING POLICIES**

**FOR THE PERIOD ENDED 30 APRIL 2021**

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### **1.21 Research and Development**

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

# **BENSONSFORBEDSMANUFACTURING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 30 APRIL 2021**

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### **2 Critical accounting estimates and judgements**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

#### **Critical judgements**

##### **Lease in accordance with IFRS 16**

The key areas of judgement in relation to leases recognised under IFRS 16 are below:

- **Lease term**  
IFRS 16 defines the lease term as the non-cancellable period of a lease together with the options to extend or terminate a lease if the lessee were reasonably certain to exercise that option. The Company will assess the likelihood of extending lease contracts beyond the break date by taking into account current economic and market conditions, current trading performance, forecast profitability and the level of capital investment in the property.
- **Lease payments**  
IFRS 16 states that the lease payments shall be discounted using the lessee's incremental borrowing rate where the rate implicit in the lease cannot be readily determined. Accordingly, all non-property lease payments have been discounted using the incremental borrowing rate (IBR), property leases have been discounted using a market based property yield.

The right of use asset will be reviewed for impairment at each reporting period in line with IAS 36 impairment to review whether the carrying amount exceeds its recoverable amount.

#### **Dilapidations**

The Company provides for its legal responsibility for dilapidation costs following advice from chartered surveyors and previous experience of exit costs. Management use a reference estimate in line with industry averages.

- **Exit costs**  
In determining the present value of exit costs, management's calculation assumes that all such works will be paid on the exit of properties. In reality, spend is likely to be incurred in the period leading up to the date of any exit but management believes their methodology provides a materially accurate estimate of exit costs. These have been capitalised within the right of use asset. This is in line with the Group's property, plant and equipment capitalisation policy.

# BENSONSFORBEDSMANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2021

### 2 Critical accounting estimates and judgements

#### Acquisition of the trading business - fair values

On 30 June 2020, the Company acquired the principal assets and business of selected subsidiaries from BlueGroup Holdco Limited. The Company's acquisition was for a consideration of £0.95m and comprised the issuance of promissory notes by a related company under a Term Loan. The acquisition has been treated as a business combination under IFRS 3 and the acquired assets and liabilities have been recorded at fair values determined by the directors.

Further, a provision of £1.0m for 'continuity of supply costs' was included within the fair value of acquired net assets. These continuity of supply payments were made to key suppliers subsequent to 30 June 2020. The directors believe it is appropriate to recognise these costs as, effectively, an 'opening provision' at acquisition as they were required to be made to settle payments for the purchase of inventories and ensure the uninterrupted supply of goods and services required to sustain normal operations and generate revenue.

### 3 Revenue

2021

£'000

#### Revenue analysed by geography

Sales of goods	29,344
----------------	--------

All revenue derives from UK sales.

### 4 Operating profit

2021

£'000

Operating profit for the period is stated after charging/(crediting):

Exchange losses	25
Depreciation of property, plant and equipment	1,163
Cost of inventories recognised as an expense	16,465
Amortisation of negative goodwill	(422)
Write downs of inventories recognised as an expense	201
Operating income	(297)
Other operating expenses	75

Included in other operating income is £297k of government grant income that relates to the CJRS furlough scheme

**BENSONSFORBEDSMANUFACTURING LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 30 APRIL 2021****5 Auditor's remuneration**

	<b>2021</b>
Fees payable to the company's auditor and associates:	<b>£'000</b>

**For audit services**

Audit of the financial statements of the company	45
--	----

**For other services**

Preparation of financial statements	4
-------------------------------------	---

**6 Employees**

The average monthly number of persons (including directors) employed by the company during the period was:

	<b>2021</b>
	<b>Number</b>
Production	276
Selling and Distribution	31
Administrative	17
Total	324

Their aggregate remuneration comprised:

	<b>2021</b>
	<b>£'000</b>
Wages and salaries	4,519
Social security costs	977
Pension costs	158
	5,654

**7 Directors' remuneration**

	<b>2021</b>
	<b>£'000</b>
	-

Directors are paid by fellow group companies.

**BENSONSFORBEDSMANUFACTURING LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 30 APRIL 2021****8 Interest payable and finance costs**

	<b>2021</b>
	<b>£'000</b>
<b>Interest on financial liabilities measured at amortised cost:</b>	
Interest on bank overdrafts and loans	6
Interest payable to related parties	381
Interest payable to fellow group companies	162
	<hr/>
	549
<b>Interest on other financial liabilities:</b>	
Interest on lease liabilities	163
	<hr/>
Total interest expense	<hr/> <b>712</b> <hr/>

**9 Income Tax**

	<b>Period Ended 2021</b>
	<b>£'000</b>
Current tax	0
Deferred tax	0
<b>Reconciliation between the tax expense and profit or loss multiplied by applicable tax rate</b>	
	<b>£'000</b>
Profit/(loss) before tax on continuing activities	830
Tax at 19%	158
Tax effect of items which are not deductible or assessable for taxation purposes:	
Benefit of temporary differences on fixed assets acquired	(252)
Non-taxable release of negative Goodwill	(80)
Expenses not deductible for tax purposes	(3)
Unrecognised deferred tax assets carry forwards for the period	178
	<hr/>
Income tax credit/(expense) for the period	<hr/> <b>0</b> <hr/>

**BENSONSFORBEDSMANUFACTURING LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 30 APRIL 2021**

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**10 Negative goodwill**

	<b>£'000</b>
<b>Cost</b>	
Additions	(619)
	<hr/>
At 30 April 2021	(619)
	<hr/>
<b>Amortisation</b>	
Amortisation gain for the period	422
	<hr/>
At 30 April 2021	422
	<hr/>
<b>Carrying amount</b>	
At 30 April 2021	<b>(197)</b>
	<hr/>

Negative goodwill arose through the gain on bargain purchase obtained through the business combination explained in note 21.

Or



**BENSONSFORBEDSMANUFACTURING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE PERIOD ENDED 30 APRIL 2021**

**11 Property, plant and equipment**

	Right of use asset	Assets under construction	Fixtures and fittings	Plant and machinery	Office and IT Equipment	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>							
Opening Balance	-	-	-	-	-	-	-
At acquisition	-	88	245	858	25	284	1,500
Additions in the period	5,965	-	40	624	-	-	6,629
Disposals in the period	-	-	-	-	-	-	-
Transfers in the period	-	(50)	-	-	-	-	(50)
<b>At 30 April 2021</b>	<b>5,965</b>	<b>38</b>	<b>285</b>	<b>1,482</b>	<b>25</b>	<b>284</b>	<b>8,079</b>
<b>Accumulated depreciation and impairment</b>							
Charge for the period	823	-	33	123	10	175	1,164
<b>At 30 April 2021</b>	<b>823</b>	<b>-</b>	<b>33</b>	<b>123</b>	<b>10</b>	<b>175</b>	<b>1,164</b>
<b>Carrying amount</b>							
<b>At 30 April 2021</b>	<b>5,142</b>	<b>38</b>	<b>252</b>	<b>1,359</b>	<b>15</b>	<b>109</b>	<b>6,915</b>

**BENSONSFORBEDSMANUFACTURING LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 30 APRIL 2021****11 Property, plant and equipment (continued)**

Property, plant and equipment includes right-of-use assets, as follows:

<b>Right-of-use assets</b>	<b>2021</b>
	<b>£'000</b>
<b>Net values</b>	
Property	5,789
Non-property	176
	<hr/>
	5,965
	<hr/>
<b>Depreciation charge for the period</b>	
Property	804
Non-property	19
	<hr/>
	823
	<hr/>

Non-property leases includes items such as forklift trucks and company cars

**12 Inventories**

	<b>2021</b>
	<b>£'000</b>
Raw materials	1,782
Work in progress	431
Finished goods	655
	<hr/>
	2,868
	<hr/>

The inventory amount stated includes an inventory provision of £201k and a write-off of £583k.

**13 Trade and other receivables**

	<b>Current</b>
	<b>2021</b>
	<b>£'000</b>
Trade and other receivables	244
VAT recoverable	526
Amounts owed by fellow group undertakings	5,541
Prepayments and accrued income	47
	<hr/>
	6,358
	<hr/>

Trade receivables are stated after provisions for impairment of £22k. Included are receivables from fellow group undertakings.

# BENSONSFORBEDSMANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2021

### 14 Liabilities

	Notes	Current 2021 £'000	Non-current 2021 £'000
Borrowings	15	2,269	7,781
Trade and other payables	16	2,889	-
Taxation and social security		149	-
Lease liabilities	17	503	2,389
		<u>5,810</u>	<u>10,170</u>

### 15 Borrowings

	Current 2021 £'000	Non-current 2021 £'000
<b>Borrowings held at amortised cost:</b>		
Cash pooling from fellow group undertakings	2,269	6,731
Loans from related parties	-	1,050
	<u>2,269</u>	<u>7,781</u>

The Company had one principal loan during the period:

- A secured promissory loan note instrument of £0.95m held by a related party was issued on 30 June 2020 (Term A Secured Promissory Notes 2023) with the Company where the entire principal amount and all accrued and unpaid interest shall be due and payable on 30 June 2023. This facility carries an interest rate of 12% per annum.

In assessing the longer term viability of the Company, the Directors noted the ongoing interest obligations on these borrowings, together with the requirement for the £1.0m loan and unpaid accumulating interest to be repaid by 30 June 2023, and that sufficient cashflows are required to be generated by the Company over the period to June 2023 in order to meet these longer term obligations. If cash flows below the amounts required are generated over the period, alternative financing arrangements will be required to be put into place prior to the end of June 2023. The Directors will continue to review the operations and capital structure of the Group with due regard to the debt maturity in June 2023.

### 16 Trade and other payables

	2021 £'000
Trade payables	1,131
Accruals and deferred income	640
Other payables	1,118
	<u>2,889</u>

**BENSONSFORBEDSMANUFACTURING LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 30 APRIL 2021****17 Lease liabilities**

	<b>2021</b>
	<b>£'000</b>
<b>Maturity analysis</b>	
Within one year	677
In two to five years	2,670
In over five years	53
	<hr/>
<b>Total undiscounted liabilities</b>	3,400
Future finance charges and other adjustments	(508)
	<hr/>
<b>Lease liabilities in the financial statements</b>	<u>2,892</u>

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	<b>2021</b>
	<b>£'000</b>
Current liabilities	503
Non-current liabilities	2,389
	<hr/>
	<u>2,892</u>

	<b>2021</b>
	<b>£'000</b>
Amounts recognised in profit or loss include the following:	
Interest on lease liabilities	163

The cash paid for the lease liability is a total of £549k for the period ended 30 April 2021.

**BENSONSFORBEDSMANUFACTURING LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 30 APRIL 2021****18 Provisions for liabilities**

	<b>Current £'000</b>	<b>Non-Current £'000</b>
Warranty provision	166	71
Product recall provision	50	50
Dilapidations provision	-	2,764
	<u>216</u>	<u>2,885</u>

<b>Movements on provisions:</b>	<b>Warranty provision £'000</b>	<b>Product recall provision £'000</b>	<b>Dilapidations provision £'000</b>	<b>Total £'000</b>
Provisions at acquisition	227	76	-	303
Additional provisions in the period	10	23	2,764	2,797
Utilisation of provision	-	-	-	-
At 30 April 2021	<u>237</u>	<u>99</u>	<u>2,764</u>	<u>3,100</u>

**19 Financial commitments, guarantees and contingent liability**

The company has a floating charge on the secured promissory loan note instrument owing to Alteri BlueGroup Cayman Limited by the company and fellow subsidiary, Bensonsforbedsretail Limited. Amounts guaranteed on behalf of Bensonsforbedsretail Limited amount to £36,203k.

**20 Retirement benefit schemes****Defined contribution schemes**

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The total costs charged to income in respect of defined contribution plans is £150k.

# BENSONSFORBEDSMANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2021

### 21 Share capital

	2021 Number	2021 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100 shares of 1p each	100	1

On the 19 June 2020 100 ordinary shares were issued for £1.

All shares rank pari passu in all respects.

### 22 Acquisition of trade and assets

On 30 June 2020, the Company acquired selected trade and assets of BlueGroup relating to the 'Bensons for Beds' brand's manufacturing activities from the Administrators of those companies in order to form the operating activities of the Company which commenced trading on the acquisition day. The Company's acquisition was for a consideration of £0.95m and comprised the issuance of promissory notes by a related company to Bensonforbedsmanufacturing Ltd under a Term Loan and Working Capital Facility Agreement.

The assets acquired by the Company on 30 June 2020 are as set out below:

	Total, 30 June 2020 £'000
<b>Assets</b>	
Property, plant and equipment	1,501
Cash and cash equivalents	-
Inventories	1,637
Other current non-financial assets	30
<b>Liabilities</b>	
Provisions	(303)
Trade payables and other financial liabilities	(1,009)
Current non-financial liabilities	(286)
<b>Total identifiable net assets at fair value</b>	<b>1,570</b>
Negative goodwill arising on acquisition	(619)
<b>Purchase consideration transferred</b>	<b>951</b>

# **BENSONSFORBEDSMANUFACTURING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE PERIOD ENDED 30 APRIL 2021**

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### **23 Capital risk management**

The capital structure of the Company consists of debt, which includes the borrowings, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued share capital, reserves and retained earnings.

### **24 Financial risk management**

The Company's finance function supports the business, monitors and manages the financial risks relating to the operations of the Company through assessment of the exposure by degree and magnitude of risk. These risks include market risk (including interest rate and foreign currency risk), credit risk, and liquidity risk.

#### ***Market risk***

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks comprise interest rate risk, currency risk, and other price risk. Market risks arise from open positions in (a) foreign currencies, (b) interest bearing assets and liabilities, and (c) assets and liabilities measured at fair value, all of which are exposed to general and specific market movements.

#### ***Interest rate risk***

The interest rate risk involves the influence of positive and negative changes in market interest rates on the Company's financial position and cash flows. The Company does not have formal policies and procedures in place for management of interest rate risks as management considers this risk as remote due to its limited debt financing operations, in addition its current borrowings are at a fixed rate. The Company does not measure any debt instruments at fair value.

#### ***Foreign currency risk***

Currency risk is the risk that the fair value of financial assets or financial liabilities held in foreign currency or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company undertakes certain operational transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise.

The impact of a movement on the Company of €0.01 in EUR exchange rates in the financial period is estimated to be £23k.

#### ***Credit risk***

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company takes on exposure to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company is exposed to credit risk primarily from trade receivables and cash balances at banks. Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. The Company structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to counterparties or groups of counterparties. Limits on the level of credit risk are approved regularly by management. Such risks are monitored on a revolving basis and are subject to an annual, or more frequent, review. The Company's management reviews ageing analysis of outstanding trade receivables and follows up on past due balances. Trade receivables comprise of amounts due from Bensonsforbedsretail Limited.

Credit risk from balances with banks is managed by dealing only with institutions with strong credit ratings. The Company's maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position as of the respective reporting period.

## BENSONSFORBEDSMANUFACTURING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2021

#### 24 Financial risk management (continued)

##### *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

Additionally, there are opportunities to refinance should the business require further funding.

The table below shows liabilities by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual undiscounted cash flows. When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the reporting period. Foreign currency payments are translated using the spot exchange rate at the end of the respective reporting period.

The maturity analysis of financial liabilities at 30 April 2021 is as follows:

	<b>Demand and less than 1 year £'000</b>	<b>From 1 to 5 years £'000</b>	<b>Over 5 years £'000</b>	<b>Total £'000</b>
Liabilities				
Borrowings – Loan	-	1,050	-	1,050
Borrowings – Lease	503	2,337	52	2,892
Liabilities				
Trade Payables and other financial liabilities	2,249	-	-	2,249
<b>Total future payments</b>	<b>2,752</b>	<b>3,387</b>	<b>52</b>	<b>6,191</b>



# BENSONSFORBEDSMANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2021

### 25 Related party transactions

#### Other transactions with related parties

	Relationship	Nature	Income £'000	Expense £'000	Receivable £'000	Payable £'000
BlueGroup PropCo Limited	Connected Company	Rental of property	-	(525)	-	(525)
Alteri Blue Group Cayman, Ltd	Connected Company	Borrowings	-	(99)	-	(1,050)

### 26 Parent company and ultimate controlling party

The company is a wholly owned subsidiary of BensonsforbedsHoldco Limited which is, in turn, wholly owned by Bluegroup Bidco Limited. The results of the Company are included in consolidated financial statements BensonsforbedsHoldco Limited. This is the smallest group to consolidate the financial statements. The address of BensonsforbedsHoldco Limited's registered office is 3<sup>rd</sup> Floor, The Globe Centre, 1 St James Square, Accrington, BB5 0RE.

The immediate parent company of Blue Group Bidco Limited is Blue Group Topco Sarl, a company incorporated in Luxembourg. Blue Group Topco Sarl is ultimately owned by funds managed by affiliates of Apollo Global Management Inc, a company listed on the New York stock exchange.