

Company Registration No. 12528962 (England and Wales)

BENSONSFORBEDSRETAIL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 25 SEPTEMBER 2021



BENSONSFORBEDSRETAIL LIMITED

COMPANY INFORMATION

Directors	A C Williams	
	J H Sidebotham	
	M X Jackson	
	M J Winser	(Appointed 18 November 2021)
	N J G Collard	(Appointed 18 November 2021)

Company number	12528962
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Registered office	3rd Floor, The Globe Centre 1 St James Square Accrington BB5 0RE
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Auditor	MHA Moore and Smalley Sixth Floor 80 Mosley Street Manchester M2 3FX
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BENSONSFORBEDSRETAIL LIMITED

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BENSONSFORBEDSRETAIL LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 25 SEPTEMBER 2021

The Directors present the strategic report for the period ended 25 September 2021.

PRINCIPAL ACTIVITY AND FUTURE DEVELOPMENT

The principal activity of the Company is the retail sale of beds, mattresses and associated products and services undertaken by BensonsForBedsRetail Limited ("BBR" or "The Company"), trading under the name of "Bensons for Beds". The Company is also supported by manufacturing capabilities in the United Kingdom, undertaken by BensonsForBedsManufacturing Limited ("BBM"). 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

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 £101.9m reflects the sale of divan beds, mattresses and other products and services from 25 April 2021 to 25 September 2021. Total operating profit of £0.5m was recorded for the financial period. The prior period results are from incorporation on 20 March 2020 including ten months of trading starting 30 June 2020 ending 24 April 2021.

This shortened period of 5 months trading reflects an alignment to internal reporting with a September year end. The re-opening of stores at the end of March 2021, following an extended lock-down, resulted in high pent up demand from our customers. We have continued to meet our customers' expectations amidst a background of global supply chain challenges, coupled with on-going impacts of COVID-19. Despite these the Company has made a return to profitability as it starts to implement its strategic Vision.

Key Performance Indicators

The Board uses a variety of weekly and monthly operational KPIs to manage the performance of the business, focused on trading effectiveness, service proposition and business overheads. Examples of these KPIs are gross profit margin and operating profit margin and these are aligned to overall strategic targets.

The Company has also adopted best-practice governance processes to ensure it delivers on its responsibilities to all of its stakeholders. Details of this is contained within the accounts of BBH.

PRINCIPAL RISKS AND UNCERTAINTIES

These are identified, evaluated and managed by the Directors. They are assessed in both the short-term and long-term.

COVID-19

The Company remains cautiously optimistic that the worst of the pandemic is over. However, there remains significant risk that disruption may occur with prolonged lockdowns of our stores, increased absence, and reduced economic activity in the market from our customers. To this extent the Company monitors its cashflow regularly whilst ensuring that all government guidelines and regulations are adhered to, with the priority being the safety and well-being of our colleagues and customers. Closure of our stores causes significant disruption to our sales, given the guided nature of our sales process, as our customers want to touch, feel and try our product. We endeavour to manage this disruption, through well-articulated planning and resourcing to ensure the Company navigates effectively through the crisis in the best possible way 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. The Company works hard with core strategic suppliers to mitigate cost price increases allowing us to maintain margins and the high quality of our products.

BENSONSFORBEDSRETAIL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 25 SEPTEMBER 2021

Operational risk

We define operational risk as the risk of fraud, physical business disruption, systems disruption or non-adherence to policies, processes and controls. The business aims to minimise operational risk by operating at a number of strategically positioned sites around the UK, maintaining business continuity plans, continuing to invest in its IT cybersecurity capabilities and ensuring the Internal Audit team are constantly assessing the adherence to defined Company policies, processes and controls.

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

Breaches of IT and information security

The risk of cyber security and data protection breaches is a significant risk that the Company looks to mitigate by investing in developing our technology systems, our IT skills, capabilities and awareness across our business. We have appointed a Data Protection Officer to ensure that we meet our obligations under GDPR. We continue to actively monitor and mitigate any cyber-threats and suspicious IT activity. Our Group IT security policies, technologies, and processes are also well established.

Manufacturing risk

BensonsForBedsManufacturing Limited provides a substantial supply of product to our customers. There is a risk that any disruption to this single manufacturing site will have a significant impact on our ability to supply product to our customers. We have a business continuity plan in place to ensure that the business is protected from any major disruption to supply.

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 Financial Conduct Authority, Information Commissioner's Office, Environment Agency, Trading Standards Institute and Health and Safety Executive. The Company has 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 monitoring control improvements and non-compliance.

STREAMLINED ENERGY AND CARBON REPORTING

In compliance with UK reporting requirements (Streamlined Energy and Carbon Reporting), the Company's results are included in the consolidated financial statements of BensonsForBedsHoldco Limited and BlueGroup Bidco Limited.

BENSONSFORBEDSRETAIL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 25 SEPTEMBER 2021

ENGAGING WITH OUR STAKEHOLDERS – SECTION 172 STATEMENT

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 consider 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.

Board structure and engagement with stakeholders

The business is governed by an oversight Board for the Group (the "Board") sitting at the BensonsForBedsHoldco Limited level (the Company's immediate parent company) 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 the Company 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 the Company's approach continues to deliver sustainable returns and promotes reputational reward.

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 Company's ongoing success:

Consumers/Customers

Customers are the buyers of our beds, mattresses and other sleep solutions, which are regarded for quality, comfort and fantastic customer service. We are proud of the heritage, quality and relevancy of our brand and we apply insight, knowledge, experience, and care to meet and exceed customer needs both now and in the future. The customer experience is omnichannel, with a guided process that best meets the customer's requirements for sleep solutions, with clearly relatable and differentiated benefits for those products.

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

We regularly communicate with our customers through focus groups and review feedback through Net Promoter Scores and Trustpilot reviews, as well as responding directly to them through our dedicated customer care team.

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.

BENSONSFORBEDSRETAIL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 25 SEPTEMBER 2021

Colleagues

The Company relies on the skills, experience, and commitment of our people to meet our business goals. The Group 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.

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. Bensons 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 Group, an opportunity for retraining. It is Group 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 considered.

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.

We continued to partner with the charities Mind and The British Heart Foundation during the period. In particular, we are proud that partnering with the British Heart Foundation helps to find new homes for beds that might otherwise have been sent to landfill.

Regulatory/government agencies

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

BensonsForBedsRetail Limited is subject to regulation by the FCA on customer credit as we are an authorised representative of a third party to broker credit to our customers. It is critically important that we uphold the standards and rules relating to financial services and we monitor the latest developments in this area to ensure we meet our commitments to the rules.

Principal decisions

Principal decisions are defined as both those that are material to the Company 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 reputation for high standards of business conduct and to act fairly.

Protecting our Workforce

It has been of upmost importance to us that our workforce and our customers have been protected against the worst of the COVID-19 pandemic, whilst being able to provide our customers with the best possible service and products. We have ensured this by continuing to implement a best practice work environment and adopting flexible policies to allow us to react quickly to changing circumstances.

On behalf of the Board



.....
Mr. M X Jackson
Director

15/03/2022

BENSONSFORBEDSRETAIL LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 25 SEPTEMBER 2021

The Directors present their report and audited financial statements of BensonsForBedsRetail Limited for the period beginning 25 April 2021 and ended 25 September 2021.

BensonsForBedsRetail Limited ("the Company") is a private company limited by shares incorporated and domiciled in the United Kingdom. The Company and parent company's registered office have been detailed at the start 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:

J Wykes	(Resigned 16 July 2021)
A C Williams	
J H Sidebotham	
M X Jackson	
M J Winser	(Appointed 18 November 2021)
N J G Collard	(Appointed 18 November 2021)

Directors' interests

At 25 September 2021 the Directors had no beneficial interests in the share capital of the Company.

Going concern

Following the last financial period of COVID-19 related challenges, plus the restructuring efforts the Directors have started to put in place, this shortened period has shown positive development. As we emerged from lockdown in Q1 of 2021, a huge amount of pent-up demand for sleep solutions was evident. We have navigated various challenges, including managing lead time delays from suppliers and driver shortages whilst also maintaining high levels of customer service. The Company finished the period with healthy cash reserves of £26.3m.

Looking to events after September period end, the business has continued on a positive trajectory, meeting expectations on ordered sales whilst being mindful of the still significant in-year supply chain challenges. The Directors are pleased that so far this year there have been no significant periods of lock-down, which could materially impact our cash position. We continue to have a keen eye on cashflows, in particular capital expenditure as we balance the working capital cycle of the Company with our need to invest in right sizing and improving our store portfolio for our customers and also investing further in our digital channels. At the time of this Going Concern review the Company has cash reserves of £19.3m which is in line with expectations and follows the natural working capital cycle of the Company. Subject to further lockdowns over the next 12 months, the Company is confident that it will prosper and meet its ambitious strategic vision, whilst generating sufficient cash to be able to re-invest back into the business.

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 at least 12 months from the date of signing of these financial statements.

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.

BENSONSFORBEDSRETAIL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 25 SEPTEMBER 2021

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 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.

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.

BENSONSFORBEDSRETAIL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 25 SEPTEMBER 2021

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic report, Directors' report and the financial statements in accordance with the applicable UK law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' in conformity with the Companies Act 2006.

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 judgments 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

15/03/2022
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BENSONSFORBEDSRETAIL LIMITED

INDEPENDENT AUDITOR'S REPORT

FOR THE PERIOD ENDED 25 SEPTEMBER 2021

Opinion

We have audited the financial statements of BensonsForBedsRetail Limited (the 'Company') for the year ended 25 September 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 Financial Reporting Standard 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 September 2021, and of its Loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included: the review of management's going concern assessment including the cashflow forecasts prepared by management and the terms of the key finance facilities in place, performing sensitivity analysis on the key assumptions embedded within management's going concern assessment, and reviewing sector specific market information that may inform our assessment.

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.

BENSONSFORBEDSRETAIL LIMITED

INDEPENDENT AUDITOR'S REPORT

FOR THE PERIOD ENDED 25 SEPTEMBER 2021

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 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.

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 non-compliance with laws and regulations and fraud;
- Challenging assumptions and judgments made by management in their key accounting estimates, in particular in relation to provisions and future performance in light of the impact of Brexit and COVID-19;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness; and
- Reviewing board minutes and legal and professional expenditure to identify any evidence of ongoing litigation or enquiries.

We identified that contract management, data protection, competition law, intellectual property rights and climate reporting legislation were areas most likely to have a material impact on the financial statements.

BENSONSFORBEDSRETAIL LIMITED

INDEPENDENT AUDITOR'S REPORT

FOR THE PERIOD ENDED 25 SEPTEMBER 2021

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 were 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>

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.

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

15/03/2022.....

BENSONSFORBEDSRETAIL LIMITED**STATEMENT OF COMPREHENSIVE INCOME****TO THE MEMBERS OF BENSONSFORBEDSRETAIL LIMITED**

	Notes	Period Ended 25 Sept 2021	Continuing operations April 2021	Discontinued operations April 2021	Period Ended 24 April 2021
		£'000	£'000	£'000	£'000
Revenue	3	101,938	147,510	13,685	161,195
Cost of sales		(47,338)	(69,974)	(8,261)	(78,235)
Gross profit		54,600	77,536	5,424	82,960
Selling and Distribution expenses	5	(52,594)	(85,268)	(4,445)	(89,713)
Administrative expenses	5	(3,936)	(20,767)	(327)	(21,094)
Other operating income	5	2,455	10,004	-	10,004
Other operating expenses		(40)	(1,367)	-	(1,367)
Exceptional items	4	-	(2,098)	-	(2,098)
Operating (loss)/profit	5	485	(21,960)	653	(21,307)
Interest Income		180	-	-	-
Interest payable and similar charges	9	(4,033)	(4,776)	-	(4,776)
Profit/(Loss) before taxation		(3,367)	(26,736)	653	(26,083)
Tax on loss	23	162	-	-	-
Profit/ (Loss) and total comprehensive income for the financial period		(3,204)	(26,736)	653	(26,083)

The current period starts 25 April 2021 to 25 September 2021 and was shortened to bring in line with internal reporting timelines. The prior period starts from incorporation on 20 March 2020 to 24 April 2021.

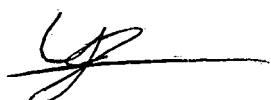
The current period is continuing operations.

BENSONSFORBEDSRETAIL LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 25 SEPTEMBER 2021**

		25 Sept 2021	24 April 2021
	Notes	£'000	£'000
Non-current assets			
Negative goodwill	11	(1,146)	(1,955)
Intangible assets	11	1,315	1,218
Property, plant and equipment	12	10,257	9,285
Right of Use Assets	12	67,445	51,400
		<u>77,871</u>	<u>59,948</u>
Current assets			
Inventories	13	19,371	21,665
Trade and other receivables	14	23,963	14,568
Cash and cash equivalents		26,317	12,651
		<u>69,651</u>	<u>48,884</u>
Current liabilities			
Trade and other payables	17	(69,892)	(45,642)
Lease liabilities	18	(8,559)	(7,295)
		<u>(78,451)</u>	<u>(52,937)</u>
Net current liabilities		<u>(8,800)</u>	<u>(4,053)</u>
Total assets less current liabilities		69,071	55,895
Non-current liabilities	15	(92,525)	(76,737)
Provisions for liabilities			
Other provisions	19	(5,834)	(5,242)
Net liabilities		<u>(29,288)</u>	<u>(26,083)</u>
Equity			
Called up share capital	22	-	-
Retained earnings		(29,288)	(26,083)
Total equity		<u>(29,288)</u>	<u>(26,083)</u>

The accounting policies and notes, beginning on page 14, are an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 15/03/2022 and are signed on its behalf by:



Mr J H Sidebotham

Director

Company Registration No. 12528962

BENSONSFORBEDSRETAIL LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE PERIOD ENDED 25 SEPTEMBER 2021**

	Share Capital	Retained Earnings	Total
	£'000	£'000	£'000
Balance as at 20 March 2020	-	-	-
Share Issue	-	-	-
Loss and total comprehensive income for the period	-	(26,084)	(26,084)
Balance as at 24 April 2021	-	(26,084)	(26,084)
Share Issue	-	-	-
Loss and total comprehensive income for the period	-	(3,204)	(3,204)
Balance at 25 September 2021	-	(29,288)	(29,288)

BENSONSFORBEDSRETAIL LIMITED

ACCOUNTING POLICIES

FOR THE PERIOD ENDED 25 SEPTEMBER 2021

1 Accounting policies

Company information

BensonsForBedsRetail 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 Company's principal activities and nature of its operations are disclosed in the strategic report.

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 the period 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.

1.2 Business combinations

BensonsForBedsRetail Limited is a wholly owned subsidiary of BensonsForBedsHoldco Limited and the results of BensonsForBedsRetail Limited are included in the consolidated financial statements of BensonsForBedsHoldco Limited which are available from 3rd floor, The Globe Centre, St James Square, Accrington, Lancashire, United Kingdom, BB5 0RE.

BENSONSFORBEDSRETAIL LIMITED

ACCOUNTING POLICIES

FOR THE PERIOD ENDED 25 SEPTEMBER 2021

1 Accounting policies (continued)

1.3 Going concern

Following the last financial period of COVID-19 related challenges, plus the restructuring efforts the Directors have started to put in place, this shortened period has shown positive development. As we emerged from lockdown in Q1 of 2021, a huge amount of pent-up demand for sleep solutions was evident. We have navigated various challenges, including managing lead time delays from suppliers and driver shortages whilst also maintaining high levels of customer service. The Company finished the period with healthy cash reserves of £26.3m.

Looking to events after September period end, the business has continued on a positive trajectory, meeting expectations on ordered sales whilst being mindful of the still significant in-year supply chain challenges. The Directors are pleased that so far this year there have been no significant periods of lock-down, which could materially impact our cash position. We continue to have a keen eye on cashflows, in particular capital expenditure as we balance the working capital cycle of the Company with our need to invest in right sizing and improving our store portfolio for our customers and also investing further in our digital channels. At the time of this Going Concern review the Company has cash reserves of £19.3m which is in line with expectations and follows the natural working capital cycle of the Company. Subject to further lockdowns over the next 12 months, the Company is confident that it will prosper and meet its ambitious strategic vision, whilst generating sufficient cash to be able to re-invest back into the business.

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 at least 12 months from the date of signing of these financial statements.

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.

BENSONSFORBEDSRETAIL LIMITED

ACCOUNTING POLICIES

FOR THE PERIOD ENDED 25 SEPTEMBER 2021

1 Accounting Policies (continued)

1.4 Revenue

The Company derives revenue from contracts with customers relating to sales of beds, mattresses, and bedroom furniture. The primary performance obligation is the delivery of beds, mattresses and furniture 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 as 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 a customer a right to return any unused goods within 14 days and receive a full refund in the form of cash. 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.

The difference in the timing between the receipt of cash from customers and the satisfaction of the performance obligation gives rise to a contract liability recognised as deferred revenue on the balance sheet. Deferred revenue represents cash collected for goods, net of discount vouchers used and VAT, for which delivery to the customer has not yet been made.

BensonsForBedsRetail Limited currently acts as an agent of Homeserve whereby the customer is charged a separate transaction price for the purchase of a Bedguard Plan. In these agreements, the insurance is provided by the third party, but the product is sold by BensonsForBedsRetail Limited in store. At no point does BensonsForBedsRetail Limited have any risk or exposure on any of these claims. Due to the risk premiums, BensonsForBedsRetail Limited pay the insurance company up front to manage the risk. Income generated by this type of arrangement is presented net as the difference between the selling price and the cost of the product (administration fee, insurance premium tax, risk premium) as commission income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on despatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

All revenue is earned from business in the UK.

1.5 Intangible assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

- Software - 3 - 5 years.

BENSONSFORBEDSRETAIL LIMITED

ACCOUNTING POLICIES

FOR THE PERIOD ENDED 25 SEPTEMBER 2021

1 Accounting policies (continued)

1.6 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

1.7 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 on the following bases:

Right of use assets	Term of lease
Leasehold Improvement	Term of lease
Computers	3 years
Motor vehicles	4 years

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

Contributions received from landlords are deemed to be lease incentives and as such are deferred and subsequently released over the life of the lease.

1.8 Impairment of tangible and intangible 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.

BENSONSFORBEDSRETAIL LIMITED

ACCOUNTING POLICIES

FOR THE PERIOD ENDED 25 SEPTEMBER 2021

1 Accounting policies (continued)

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, 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.

1.9 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 represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. 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.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in creditors.

1.11 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.

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.

BENSONSFORBEDSRETAIL LIMITED

ACCOUNTING POLICIES

FOR THE PERIOD ENDED 25 SEPTEMBER 2021

1 Accounting policies (continued)

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.

1.12 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'.

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.

BENSONSFORBEDSRETAIL LIMITED

ACCOUNTING POLICIES

FOR THE PERIOD ENDED 25 SEPTEMBER 2021

1 Accounting policies (continued)

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.

1.13 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.

1.14 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 period. 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.

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.

BENSONSFORBEDSRETAIL LIMITED

ACCOUNTING POLICIES

FOR THE PERIOD ENDED 25 SEPTEMBER 2021

1 Accounting policies (continued)

1.15 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 timings 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.

1.16 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.

1.17 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.

BENSONSFORBEDSRETAIL LIMITED

ACCOUNTING POLICIES

FOR THE PERIOD ENDED 25 SEPTEMBER 2021

1 Accounting policies (continued)

1.18 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 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.

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 term of the lease.

BENSONSFORBEDSRETAIL LIMITED

ACCOUNTING POLICIES

FOR THE PERIOD ENDED 25 SEPTEMBER 2021

1 Accounting policies (continued)

1.19 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 Company's financial information is presented in Pounds Sterling (£GBP), which is also the parent Group's functional currency. For each entity, the Company 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 Company 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.

1.20 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.

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.

BENSONSFORBEDSRETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 25 SEPTEMBER 2021

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.

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

Leases

- **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), and 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.

In leases where we have peppercorn rents, an estimated rental value has been established, based on open market values, and a right of use asset created. The corresponding entry has been released to the income statement/Profit and Loss statement as no liability exists for these leases.

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 and calculate provisions in line with accounting policies.

- **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.
- **Expired leases** – where there is a dilapidation provision in respect to an expired lease, the remaining provision is released to the profit and loss account when the contract expires.

BENSONSFORBEDSRETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 25 SEPTEMBER 2021

3 Revenue

	Period Ended 25 Sept 2021 £'000	Period Ended 24 April 2021 £'000
Revenue analysed by class of business		
Sale of goods	100,402	144,995
Sale of goods support services	1,536	2,515
Sales from Discontinued Operations	-	13,685
	101,938	161,195
Revenue analysed by geographical region		
United Kingdom sales	101,938	161,195

Revenue in the prior period includes sales from discontinued operations of £13,685k.

4 Exceptional Items

	Period Ended 25 Sept 2021 £'000	Period Ended 24 April 2021 £'000
Property, plant and equipment impairment loss	-	(2,098)
Total	-	(2,098)

The Company operates a number of leases on a short-term licence to operate basis. Amounts capitalised in the prior period relating to these leases were impaired.

5 Operating (loss)/profit

	Period Ended 25 Sept 2021 £'000	Period Ended 24 April 2021 £'000
Operating loss for the period is stated after charging/(crediting):		
Exchange gains	(475)	(842)
Depreciation of property, plant and equipment	7,707	8,245
Amortisation of intangible assets (included within distribution costs)	127	138
Amortisation of negative goodwill to income	(809)	(3,201)
Cost of inventories recognised as an expense	45,446	73,031
Write downs of inventories recognised as an expense	975	1,723
Impairment loss recognised on trade receivables	10	135
Other operating income	(2,455)	(10,004)

BENSONSFORBEDSRETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 25 SEPTEMBER 2021

Included in other operating income is £1,038k (24 April 2021: £8,802k) of government grant income that relates to COVID-19 grants.

We have received government support through accessing government grants, rates relief and the Coronavirus job retention scheme over the past two financial reporting periods. These grants have been used by the business to directly support our colleagues on furlough during the extended periods of store closures as a result of the COVID-19 pandemic and has been essential in securing the going concern of the business through these periods.

6 Auditor's remuneration

	Period Ended 25 Sept 2021 £'000	Period Ended 24 April 2021 £'000
Fees payable to the Company's auditor and associates:		
For audit services		
Audit of the financial statements of the Company	50	55
Non-Audit services		
Other services	1	4
Total audit and non-audit service fees	51	59

Non-audit services are in respect of the roll forward of financial statements (24th April 2021: preparation of the financial statements)

7 Employees

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

	Period Ended 25 Sept 2021	Period Ended 24 April 2021
Selling and distribution	1,312	1,362
Administrative	259	337
Total employees	1,571	1,699

	Period Ended 25 Sept 2021 £'000	Period Ended 24 April 2021 £'000
Wages and salaries	19,083	34,623
Social security costs	1,816	3,792
Pension costs	468	842
Total	21,367	39,257

BENSONSFORBEDSRETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 25 SEPTEMBER 2021

8 Directors' remuneration

	Period Ended 25 Sept 2021	Period Ended 24 April 2021
	£'000	£'000
Remuneration for qualifying services	397	892
Contributions paid to money purchase pension schemes	27	29

The number of Directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3.

The total emoluments, excluding pension contributions, in the period for the highest paid Director amounted to £128k (24 April 2021: £270k).

The Company has paid Directors' remuneration for qualifying services of £55k (24 April 2021: £76k) on behalf of BensonsForBedsHoldco Limited.

9 Interest payable and similar

	Period Ended 25 Sept 2021	Period Ended 24 April 2021
	£'000	£'000
Interest on financial liabilities measured at amortised cost:		
Interest expense	1,850	2,985
Amortisation of debt issuance costs	143	277
Bank charges	38	12
Other	130	305
Interest on other financial liabilities:		
Interest on lease liabilities and dilapidations	1,872	1,197
Total	4,033	4,776

10 Discontinued Operations

Discontinued activities relate to the portion of the orderbook delivered by BensonsForBedsRetail Limited related to the Harveys furniture business.

The results of the discontinued business, which have been included in the income statement, were as follows:

	Period Ended 25 Sept 2021	Period Ended 24 April 2021
	£'000	£'000
Revenue	-	13,685
Operating expenses	-	(12,706)
Administrative expenses	-	(326)
Net profit attributable to discontinuation	-	653

BENSONSFORBEDSRETAIL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 25 SEPTEMBER 2021**

11 Intangible assets

	Negative Goodwill	Computer Software	Total
	£'000	£'000	£'000
Cost			
At beginning of period	(5,156)	1,356	(3,800)
Additions	-	224	224
At end of period	(5,156)	1,580	(3,576)
Accumulated depreciation and impairment			
At beginning of period	3,201	(138)	3,063
Credit / (Charge) for the period	809	(127)	682
At end of period	4,010	(265)	3,745
At 25 Sept 2021	(1,146)	1,315	169
At 24 April 2021	(1,955)	1,218	(737)

BENSONSFORBEDSRETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 25 SEPTEMBER 2021

12 Property, plant and equipment

	Right of use assets	Leasehold improve- ments	Computers	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At beginning of period	58,770	11,594	376	288	71,027
Additions	21,910	2,610	233	-	24,755
Disposals	(1,339)	(24)	-	-	(1,364)
At end of period	79,341	14,180	609	288	94,418
Accumulated depreciation and impairment					
At beginning of period	(7,369)	(2,820)	(94)	(59)	(10,342)
Charge for the period	(5,839)	(1,769)	(69)	(30)	(7,707)
Disposals	1,312	21	-	-	1,334
At end of period	(11,896)	(4,568)	(163)	(89)	(16,716)
At 25 Sept 2021	67,445	9,612	446	199	77,702
At 24 April 2021	51,400	8,774	282	229	60,685
				25 Sept 2021	24 April 2021
				£'000	£'000
Right of use assets					
Net values					
Property				65,611	48,824
Non-property				1,834	2,577
				67,445	51,400
Depreciation charge for the period					
Property				5,097	4,105
Non-property				742	1,246
				5,839	5,351
Impairment charge for the period					
Property				-	2,018

BENSONSFORBEDSRETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 25 SEPTEMBER 2021

13 Inventories

	25 Sept 2021	24 April 2021
	£'000	£'000
Finished goods	19,371	21,665

The inventory amount is stated after write-off during the period of £975k (24 April 2021: £3,089k) and inventory provision of £1,818k (24 April 2021:£1,723k).

14 Trade and other receivables

	25 Sept 2021	24 April 2021
	£'000	£'000
Trade receivables	1,482	757
Provision for bad and doubtful debts	(145)	(135)
	<u>1,337</u>	<u>622</u>
Amount owed by parent undertaking	-	-
Amounts owed by fellow Group undertakings	9,944	8,263
Corporation Tax receivable	162	-
Other receivables	1,619	1,776
Prepayments and accrued income	10,901	3,907
Total	<u>23,963</u>	<u>14,568</u>

Amounts owed by fellow group undertakings includes £9,944k (24 April 2021: £0) falling due in less than one year.

15 Liabilities

	Notes	Current Sept 2021	Non-current Sept 2021
		£'000	£'000
Borrowings	17	123	37,037
Trade and other payables	17	69,769	-
Lease liabilities	18	8,559	55,488
As at 25 Sept 2021		<u>78,451</u>	<u>92,525</u>
As at 24 April 2021		52,936	76,737

BENSONSFORBEDSRETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 25 SEPTEMBER 2021

16 Bank borrowings

The Company had two principal loans during the period:

- A secured promissory loan note instrument of £19.6m 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.
- A secured promissory loan note instrument in BensonsForBedRetail Limited of £15.0m is held by a related party (Term B Secured Promissory Notes 2023). This facility carries an interest rate of 12.0% per annum which is paid monthly. The entire principal amount shall be due and payable on 30 June 2023.

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 £34.6m 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.

17 Trade and other payables

	25 Sept 2021	24 April 2021
	£'000	£'000
Trade payables	40,525	25,916
Amount owed to Group subsidiaries	9,134	5,541
Interest payable on borrowings	123	-
Other payables	20,110	14,185
Total	69,892	45,642

BENSONSFORBEDSRETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 25 SEPTEMBER 2021

18 Lease liabilities

	25 Sept 2021	24 April 2021
	£'000	£'000
Maturity analysis		
Within one year	(12,466)	(10,302)
In two to five years	(39,526)	(28,514)
In over five years	(29,852)	(22,203)
Total undiscounted liabilities	(81,844)	(61,019)
Less finance charges	17,797	13,191
Lease liabilities in the financial statements	(64,047)	(47,828)

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:

	Notes	25 Sept 2021	24 April 2021
		£'000	£'000
Current liabilities		8,559	7,295
Non-current liabilities	15	55,488	40,534
		64,047	47,829

	25 Sept 2021	24 April 2021
	£'000	£'000
Amounts recognised in profit or loss include the following:		
Interest on lease liabilities and dilapidations	1,872	1,197

The cash paid for the lease liability is a total of £4,484k for the period ended 25 Sept 2021 (April 2021: £4,020k)

BENSONSFORBEDSRETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 25 SEPTEMBER 2021

19 Provisions for liabilities

	Current Sept 2021	Non- current Sept 2021
	£'000	£'000
Warranty Provision	140	-
Dilapidations	1,558	4,136
Total	1,698	4,136
At 24 April 2021	2,475	2,767

All current provisions are expected to be settled within 12 months from the reporting date. Dilapidations provision is discounted using a 6.25% discount rate.

Movements on Provisions

	Dilapidations	Warranty	Total
	£'000	£'000	£'000
As at 24 April 2021	5,102	140	5,242
Addition to provision	1,710	-	1,710
Effect of discounting	221	-	221
Reversal of provision	(1,339)	-	(1,339)
At 25 Sept 2021	5,694	140	5,834

20 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, BensonsForBedsManufacturing Limited. Amounts guaranteed on behalf of BensonsForBedsManufacturing Limited amount to £1,104k.

21 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 £410k (April 2021: £842k).

22 Share Capital

	25 Sept 2021	24 April 2021
	£	£
Ordinary share capital issued and fully paid		
At incorporation		
Issued during the period		
100 shares of 1p each	1	1
Total issued share capital	1	1

BENSONSFORBEDSRETAIL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 25 SEPTEMBER 2021****23 Income Tax**

	25 Sept 2021	24 April 2021
	£'000	£'000
Profit/(loss) before tax on continuing activities	(3,366)	(26,736)
Tax at 19%	(640)	(5,080)
Tax effect of items which are not deductible or assessable for		
Non-taxable release of negative goodwill	(154)	(608)
Benefit of temporary differences on fixed assets acquired	(132)	(3,149)
Expenses not deductible for tax purposes	3	100
Change in Corporation Tax rates	(2,072)	-
Unrecognised deferred tax assets carry forwards for the period	2,833	8,613
Loss surrender for discontinued activities	-	124
Income tax credit/(expense) for the period	(162)	-

It was announced that the UK's main rate of corporation tax rate applicable from 1 April 2023 will increase to 25% from 19%. This change has been reflected in the measurement of deferred tax balances at the period end. This has been reflected at a composite rate of 23.2%.

24 Related party transactions**Remuneration of key management personnel**

The remuneration of key management personnel, including Directors, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

Other transactions with related parties

	Relationship	Nature	Income £'000	Expense £'000	Receivable £'000	Payable £'000
BlueGroup IPCo Limited	Connected Company	Licensing fee	-	508	-	(1,245)
BlueGroup Propco Limited	Connected Company	Rental of property	-	92	-	(141)
Alteri BlueGroup Cayman Limited	Connected Company	Borrowings	-	2,013	-	(37,161)

BENSONSFORBEDSRETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 25 SEPTEMBER 2021

25 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 USD exchange rates in the financial period is estimated to be £28k.

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 mainly amounts due from external finance providers providing advances for the Company's customers and is normally received within a few days of delivery.

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.

BENSONSFORBEDSRETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 25 SEPTEMBER 2021

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 25 September 2021 is as follows:

	Demand and less than 1 year	From 1 to 5 years	Over 5 years	Total
	£'000	£'000	£'000	£'000
Liabilities				
Borrowings – Loan	123	37,037	-	37,160
Borrowings – Lease Liabilities	8,559	29,350	26,138	64,047
Trade Payables and other financial liabilities	69,769	-	-	69,769
Total future payments	78,451	66,387	26,138	170,977

26 Capital 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.

27 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 Third Floor, The Globe Centre, 1 St James Square, Accrington, BB5 0RE.

The immediate parent company of BlueGroup 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 Asset Management Inc, a company listed on the New York stock exchange.