

Company Registration No. 13698658 (England and Wales)

LEIA BIDCO LTD

**REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 JULY 2024**

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LEIA BIDCO LTD

COMPANY INFORMATION

Directors	S Nicholls J Paul W Windham J Tuthill
Registered number	13698658
Registered office	C/O Omlet Ltd The Old Malt House St. John's Road Banbury OX16 5HX United Kingdom
Auditors	RSM UK Audit LLP Chartered Accountants & Senior Statutory Auditor Third Floor, Priory Place, New London Road, Chelmsford, CM2 0PP

LEIA BIDCO LTD

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LEIA BIDCO LTD

STRATEGIC REPORT FOR THE PERIOD ENDED 28 JULY 2024

The directors present the strategic report for the period ended 28 July 2024.

Fair review of the business and future development

The company is an intermediate holding company for its subsidiary undertakings involved in the design, manufacture and sale of pet products and accessories.

Management have completed an impairment review in relation to the investment held in its statement of financial position considering all such holdings as a single cash generating unit ('CGU'). Following the impairment review, as at 28 July 2024 the investment has a net book value of £69.4 million (2023: £109.8 million) which has been reduced due to an impairment by £40.5 million (See Note 8).

During the period, an agreement was made with the loan note holders to waive loan interest for a 12-month period from 30 October 2023 equating to £7.5 million.

Interest of £5.6 million waived from 30 October 2023 to 28 July 2024 is presented within interest Payable in the statement of comprehensive income. The £7.5 million has been treated as a gift from the shareholders and is stated as a capital contribution and recognised as a credit to the profit and loss reserve.

No changes to the activities of this company are expected in the year ahead.

Principal risks and uncertainties

Interest rate risk

The company has issued interest bearing loan notes, which attract interest at a fixed rate of 8% per annum. The company addresses interest and cash flow risk via the ongoing support of its group undertakings.

Investment risk

The company's investment in subsidiaries is financed entirely via loan notes issued to related parties. The company therefore faces risk associated to the performance of its subsidiary undertaking group.

Key performance indicators

The company's activities as an intermediate holding company are such that it does not have any specific financial key performance indicators of its own, other than in connection with the financial performance of its subsidiary undertakings.

Going concern

In order to assess the going concern assumption, the directors have prepared and considered trading and cash flow forecasts for the company's group for a period covering at least 12 months from the date of approval of these financial statements, and the directors have a reasonable expectation that the company and its group have adequate resources to continue in operational existence for a period of least 12 months from the date of approval of these financial statements. Consequently, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Streamlined energy and carbon reporting

Leia Bidco Limited is a low energy user and is entitled to exclude energy and carbon reporting information since its usage for the current and prior period was below 40,000 kWh.

Section 172 statement

The Board of Directors confirm that during the year ended 28 July 2024, it has acted to promote the long-term success of the Group for the benefit of shareholders, whilst having due regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006, being:

- the likely consequences of any decision in the long term
- the interests of the Group's employees
- the need to foster the Group's business relationships with suppliers, customers and others
- the impact of the Group's operations on the community and the environment
- the desirability of the Group maintaining a reputation for high standards of business conduct
- the need to act fairly between members of the Group

LEIA BIDCO LTD

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 28 JULY 2024

The board has identified its key stakeholders as its customers, employees, investors, suppliers and the communities in which it operates. The board are committed to act fairly between the members of the group.

The Group works closely with its shareholders to review, update and monitor the 5 year plan annually. Key targets have been set in order to fulfil the strategy which are closely monitored by senior management.

Employees

The Group's employees are crucial to the business and each employee is valued. The Group continuously works to support all employees and there are policies and procedures in place which support an employee/employer relationship.

The Group is committed to providing a safe working environment for employees. The health and wellbeing of employees is also very important to the Group. The Wellbeing Policy details the Group's approach and an action plan to support employees in their role and address any health needs.

The Group is proud to be an equal opportunity employer and committed to fostering a diverse environment. The Group strives to create a diverse and inclusive working environment where every employee feels welcome, safe and can do their best work.

Suppliers and Customers

The relationship the Group has with both customers and suppliers is critical to the Group's success and ability to meet the Group's objective of delivering innovative products around the world.

Rebranding in October 2023 has focused on clear communication of the business heritage through the message "We ask, We invent- We watch, learn and ask so we can invent". This has resulted in a unified tone of voice that is used in all forms of communication and has been rolled out throughout the period.

Developing Brand awareness to reach a broader audience is a key objective to capture new customers. The business has also continued to enhance its relationship with its existing customer base through the medium of customer relationship management technology.

The Group has a dedicated customer service team who provide a great service in multiple languages to customers. Customer satisfaction rates are collected in various ways which are reviewed by senior managers and fed into decision making where appropriate.

The Group has long standing relationships with its distribution and manufacturing partners who have engaged in supporting development of products to produce quality innovative products which are synonymous with the Omlet brand.

Impact on the community and environment

The Group's aim is to elevate the experience of owning a pet by having awesome pet products whilst having mental health benefits of owning a pet. Sustainability is also very important to the Group and is focusing significantly in this area by creating desirable, durable and serviceable products which are much less likely to be disposed of. The Group has started to measure and report its carbon footprint which will be developed more over the coming year.

During the period a number of charity fundraising events also took place for animal related charities within the group.

On behalf of the board



J Tuthill
Director

Date: 25/02/25

LEIA BIDCO LTD

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 28 JULY 2024**

The directors present their annual report and financial statements for the period ended 28 July 2024.

Principal activities

The principal activity of the company is that of a holding company.

Results and dividends

The results for the period are set out on page 8.

Directors

The directors who served during the period were:

S Nicholls
J Paul
W Windham
J Tuthill

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the period. These provisions remain in force at the reporting date.

Auditor

RSM UK Audit LLP were reappointed as auditor to the company and is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Matters of strategic importance

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-size Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments and risk management.

On behalf of the board



.....
J Tuthill
Director

Date: 25/02/25

LEIA BIDCO LTD

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 28 JULY 2024**

Directors' responsibilities statement for the period ended 28 July 2024

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEIA BIDCO LTD

Opinion

We have audited the financial statements of Leia Bidco Ltd (the 'company') for the period ended 28 July 2024 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 July 2024 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information 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.

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 period 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEIA BIDCO LTD (CONTINUED)

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 or 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 set out on page 4, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEIA BIDCO LTD (CONTINUED)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, and reviewing tax computations prepared by external advisors.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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

Use of our report

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

Kerry Norman

Kerry Norman (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Third Floor,

Priory Place,

New London Road,

Chelmsford,

CM2 0PP

25/02/25

LEIA BIDCO LTD
REGISTERED NUMBER: 13698658

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 28 JULY 2024

		52 week period ended 28 July 2024 £	<i>52 week period ended 30 July 2023 £</i>
	Note		
Administrative expenses		(3,877)	(3,950)
Operating Loss		(3,877)	(3,950)
Interest payable and similar expenses	6	(7,895,735)	(7,827,312)
Exceptional item: impairment of fixed asset investment	8	(40,462,401)	-
Loss before taxation		(48,362,013)	(7,831,262)
Tax on loss	7	-	-
Loss for the financial period		<u>(48,362,013)</u>	<u>(7,831,262)</u>

LEIA BIDCO LTD
REGISTERED NUMBER: 13698658

STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 28 JULY 2024

	Note	2024 £	2023 £
Fixed assets			
Investments	8	69,365,733	109,828,134
		<u>69,365,733</u>	<u>109,828,134</u>
Creditors: amounts falling due within one year	10	(16,996,763)	(16,570,421)
Net current liabilities		<u>(16,996,763)</u>	<u>(16,570,421)</u>
Total assets less current liabilities		<u>52,368,970</u>	<u>93,257,713</u>
Creditors: amounts falling due after more than one year	11	(106,483,832)	(106,483,832)
Net liabilities		<u>(54,114,862)</u>	<u>(13,226,119)</u>
Capital and reserves			
Profit and loss reserves		<u>(54,114,862)</u>	<u>(13,226,119)</u>

The financial statements were approved by the board of directors and authorised for issue on 25/02/25 and signed on its behalf by:



.....
J Tuthill
Director

LEIA BIDCO LTD
REGISTERED NUMBER: 13698658

STATEMENT OF CHANGES IN EQUITY
AS AT 28 JULY 2024

	Notes	Share capital £	Profit and loss account £	Total equity £
At 1 August 2022		-	-	-
Loss and total comprehensive income for the period		-	(7,831,262)	(7,831,262)
Balance at 30 July 2023		-	(13,226,119)	(13,226,119)
Loss and total comprehensive income for the period		-	(48,362,013)	(48,362,013)
Capital contribution		-	7,473,270	7,473,270
Balance at 28 July 2024		-	(54,114,862)	(54,114,862)

LEIA BIDCO LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 JULY 2024

1. General information

The company is a private company limited by shares and is registered and incorporated in England and Wales.

Registered Number: **13698658**

Registered Office:
C/O Omlet Ltd
The Old Malt House
Banbury
OX16 5HX
United Kingdom

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

2. Accounting policies

2.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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 £.

The results presented cover a 52 week period for both years.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Reduced disclosures

In accordance with FRS 102, the company has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

The individual Company financial statements of Leia Bidco Ltd are included in the consolidated financial statements of Leia Topco Ltd which are available from C/O Omlet Ltd, The Old Malt House, Banbury, United Kingdom, OX16 5HX.

2.2 Going concern

In order to assess the going concern assumption, the directors have prepared and considered trading and cash flow forecasts for the company's group for a period covering at least 12 months from the date of approval of these financial statements, and the directors have a reasonable expectation that the company and its group have adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. Consequently, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 28 JULY 2024

2. Accounting policies (continued)

2.3 Fixed asset investments

Interest in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The Investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

2.4 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets which includes, other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and 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 have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 28 JULY 2024

2. Accounting policies (continued)

2.4 Financial instruments (continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

Basic financial liabilities

Basic financial liabilities, including other creditors and amounts due to fellow group companies are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

Derecognition of financial liabilities

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

2.5 Equity instruments

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

2.6 Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

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

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

LEIA BIDCO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 28 JULY 2024

3. Judgements and key sources of estimation uncertainty

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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Impairment of investments

Management have completed an impairment review in relation to the investment held in its statement of financial position considering all such holdings as a single cash generating unit ('CGU'). Following the impairment review, as at 28 July 2024 the investment has a net book value of £69.4 million (2023: £109.8 million) which has been reduced due to an impairment by £40.5 million (See Note 8).

Impairment reviews are an area involving management judgement, requiring assessment as to whether the carrying value of the assets can be supported by the net present value ("NPV") of future cash flows derived from such assets using cash flow projections which have been discounted at a rate of 10%. In calculating the net present value of the future cash flows, certain assumptions have been made:

The value in use calculation is based on a Board approved long term plan for a five-year period and includes a terminal value based on the projections of the final year of the 5 year plan with a long term growth rate assumption applied. The critical estimates for calculating the value in use were as follows:

- Turnover growth with the focus being i) Increasing the addressable market through a broader range of products that are required by all chicken keepers regardless of their coop choice, ii) Omnichannel development iii) Development of Ambassador programme.

A 10% decrease in the EBITDA results would result in an additional impairment of the Investment balance in Leia Bidco Ltd of £12.4 million.

4. Employees

There were no employees during the period except the directors who are remunerated through other group companies. It is not possible to apportion the element of the directors' salary that pertains to the services to the company.

5. Auditors remuneration

The audit fee of £6,175 was borne by a subsidiary company.

6. Interest payable and similar expenses

	2024 £	2023 £
Interest on other borrowings	(7,895,735)	(7,827,312)

LEIA BIDCO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 28 JULY 2024

7. Taxation

The total tax charge for the period included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2024	2023
	£	£
Loss on ordinary activities before taxation	(48,362,013)	(7,831,262)
Expected tax credit based on the standard rate of corporation tax in the UK of 25% (2023 – 21.01%)	(12,090,503)	(1,644,994)
Effects of:		
Expenses that are not deductible in determining taxable profit	11,733,993	1,271,064
Change in unrecognised deferred tax assets	356,510	444,051
Change in corporation tax rate	-	(70,951)
Group relief surrendered	-	830
Taxation charge for the period	<u><u>-</u></u>	<u><u>-</u></u>

Based on the financial statements, no provision has been made for deferred tax. The company has short term timing differences of £3,860,158 (2023: £2,437,995), for which a deferred tax asset of £965,040 (2023: £609,499) has not been recognised due to uncertainty as to when the asset will be recovered.

8. Fixed asset investments

	2024	2023
	£	£
Investments in subsidiaries	69,365,733	109,828,134

Movements in fixed asset investments

	£
Cost or valuation	
At 31 July 2023 and 28 July 2024	109,828,134
Impairment	
At 28 July 2024	69,365,733
At 30 July 2023	<u><u>109,828,134</u></u>

LEIA BIDCO LTD

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 28 JULY 2024**

8. Fixed asset investments (continued)

Management have completed an impairment review in relation to the investment held in its statement of financial position considering all such holdings as a single cash generating unit ("CGU"). Following the impairment review, as at 28 July 2024 the investment has a net book value of £69.4 million (2023: £109.8 million) which has been reduced due to an impairment by £40.5 million (See Note 8).

The Impairment review assessed as to whether the carrying value of the Investment can be supported by the net present value ("NPV") of future cash flows derived from such assets using cash flow projections. A discount rate of 10% has been used by management in the NPV calculation. Please see Note 3: Judgements and key sources of estimation uncertainty for more information on the impairment assumptions.

9. Subsidiaries

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Hebe Studio Ltd	C/O Omlet Ltd The Old Malt House St. Johns Road, Banbury, Oxfordshire, England, OX16 5HX	Holding company	Ordinary	100.00	
Omlet Inc.	251 Little Falls Drive, Wilmington, Delaware, 19808	Distributor of pet products	Ordinary		100.00
Omlet Limited	The Old Malt House, St. Johns Road, Banbury, Oxfordshire, England, OX16 5HX	Design, manufacture and retail of pet products	Ordinary		100.00
Omlet Pty	Level 2, 160 Wharf Street, Brisbane City, QLD 4000, Australia	Distributor of pet products	Ordinary		100.00

10. Creditors: amounts falling due within one year

	2024 £	2023 £
Amounts owed to group undertakings	4,081,461	4,077,583
Other creditors	12,915,302	12,492,838
	<u>16,996,763</u>	<u>16,570,421</u>

Amounts due to fellow group undertakings are interest free and repayable on demand.

Included within other creditors is an amount of £12,081,990 in respect of deferred consideration in connection with the acquisition of Hebe Studio Ltd. Interest is accrued at 2.75% on a balance of £8,021,079 (Tranche 1) and 5% on a balance of £4,060,911 (Tranche 2) on overdue payments. Interest of £496,757 (2023: 276,782) on Tranche 1 and interest of £336,555 (2023: £134,066) have been rolled up into the deferred consideration balance.

LEIA BIDCO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 28 JULY 2024

11. Creditors: amounts falling due after more one year

	2024 £	2023 £
Other borrowings	106,483,832	106,483,832

12. Borrowings

	2024 £	2023 £
Other borrowings – loan notes	106,483,932	106,483,832
Payable after one year	<u>106,483,932</u>	<u>106,483,832</u>

Other borrowing relate to investor loan notes of £33,346,126 and founder loan notes of £60,326,386 due to be repaid on 13 November 2026 which accrue interest at rates of 8% per annum and which are secured by fixed and floating charges over the assets of the company and the group. Interest of £5,225,748 and £9,453,888 (2023: £4,560,654 and £8,250,666) have been rolled up into the investor and founder loan notes respectively. The movement of £1.9 million in the interest balance in the period has been offset by the capital contribution recognised at a point in time. The loan note balance therefore appears to have remained unchanged between 2023 and 2024.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 JULY 2023**

13. Share Capital

On 22 October 2021, 1 Ordinary share with a nominal value of £0.001 was issued for a total consideration of £0.001.

14. Reserves

Profit and loss reserve

The reserve includes all current period and prior year accumulated profits and losses.

15. Related party transaction

Entities and individuals which control, jointly control or exert significant influence over the company have an interest in loan notes of £93,672,512 (£93,672,512 at 30 July 2023). Investor loan notes of £33,346,126 and founder loan notes of £60,326,386 are due to be repaid on 13 November 2026. Both loan notes accrue interest at a rate of 8% per annum and are secured by fixed and floating charges over the assets of the company and the group. Interest of £5,225,749 and £9,453,888 (2023: £4,560,654 and £8,250,666) has been rolled up into the investor and founder loan notes respectively.

16. Post balance sheet events

At the October 2024 Board Meeting, it was concluded that interest accruing on the investor and founder loan notes would be waived for a year commencing from 28 October 2024. This amount totals £7,473,270.

17. Controlling party

The company's immediate and ultimate parent company is Leia Topco Ltd, incorporated in England and Wales. The registered office address of Leia Topco Ltd is C/O Omlet Ltd, The Old Malt House, Banbury, United Kingdom, OX16 5HX.

Leia Topco Ltd is the smallest and largest group for which consolidated financial statements are prepared and copies can be obtained from it's registered office at C/O Omlet Ltd, The Old Malt House, Banbury, United Kingdom, OX16 5HX.

In the opinion of the directors there is deemed to be no one controlling party.