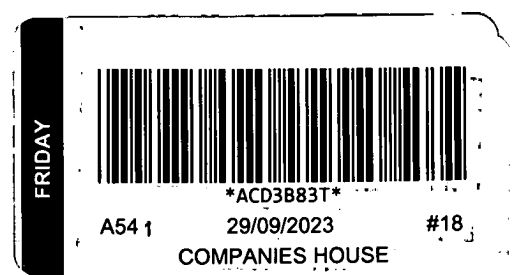


Company registered no: 1277785

Airsprung Group PLC
Annual report and financial statements
for the year ended 31 March 2023



Airsprung Group PLC

Contents

Page

Board of directors and advisers	1
Strategic report	2
Directors' report	4
Independent auditors' report to the members of Airsprung Group PLC	10
Consolidated income statement	13
Consolidated statement of comprehensive income	14
Consolidated balance sheet	15
Consolidated cash flow statement	16
Consolidated statement of changes in equity	17
Notes to the financial statements	18
Independent auditors' report to the members of Airsprung Group PLC	49
Company balance sheet as at 31 March 2023	52
Notes to the company financial statements for the year ended 31 March 2023	53

Airsprung Group PLC

Board of directors and advisers

Officers and professional advisers

Directors

A Lisanti
T Dallaway
A Perloff
S Peters

Secretary

T Dallaway

Company number

1277785

Registered office

Canal Road
Trowbridge
Wiltshire
BA14 8RQ

Bankers

Svenska Handelsbanken
7 Henry Street
Bath
BA1 1JR

Independent auditors

Bishop Fleming LLP
Chartered Accountants and Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Airsprung Group PLC

Strategic report for the year ended 31 March 2023

The directors submit their strategic report for the year ended 31 March 2023.

Business review and future developments

The directors consider the key performance indicators for the Airsprung Group PLC ('the Group') to be gross margin, operating profit as a percentage of revenue and cash generation.

	2023	2022
Gross margin	15.7%	18.6%
Operating profit	£7,817,000	(£667,000)
Net cash (used)/generated	£5,272,000	(£804,000)

Airsprung Group PLC is a manufacturer and supplier of beds, headboards, upholstery, converted foam and graphic design products and services. The Group manufactures beds, upholstery and headboards that are in turn sold via multi-channel retail routes including traditional high street stores, national furniture retailers, on-line catalogue retailers and e –tailers. The Group also sells beds and upholstery into the hospitality sector. The Group's foam conversion business produces shaped foam products used within the Group for bed and upholstery fillings as well as providing foam products for external customers operating in non-furniture related industries. Our graphic design business, Arena Design, produces marketing materials, Point of Sale materials, traditional printed catalogues and also designs web sites for the Group businesses and external clients.

The financial year being reported on was challenging in many ways and continued to reflect the impact of higher than historic levels of raw material costs and a general slowdown in demand from consumers as the cost of living crisis began to bite. The latter issue undoubtedly escalated during the year with the consumer either spending less on discretionary goods such as furniture and other high-ticket items or perhaps diverting funds to holidays following the pandemic. It is well reported that for many consumers simply dealing with the increased interest rates on mortgages and other loans is a problem, and is not likely to disappear in the near future. It is also of interest that at the higher specification and price point of our business volumes and revenues continue to grow suggesting that there remain wealthier consumers who appear un-affected by the background economic situation of the country. These more affluent consumers, however, do not fully mitigate the general population. Our belief is that the current difficult trading conditions will prevail for the foreseeable future.

The changes to the management structure that took place in the previous period have provided us with a highly capable and professional team right across our business. This has resulted in a considerable uplift in our operational and commercial competences thus attracting new and exciting product development with existing customers and attracting new customers. Several significant product launches over the coming months will go some way to mitigate the general lackluster performance of the overall market.

In looking at new areas of revenue, we have been working in partnership with a major national furniture retailer to develop what are termed 'motion beds' that are targeted at both the luxury and health sector. This is a major project for the business and if successful would provide potentially significant income from an entirely new source. In another area of the business we have partnered with a leading grocery retailer to develop a range of mattresses that utilise wool harvested from their suppliers' farms to build a more sustainable range of products. Again, this is an entirely new income source. We have had no shortage of opportunities.

We completed a significant capital investment programme that encompassed the installation of state-of-the-art packaging and other production equipment. Consolidation of bed manufacturing onto one site, from two, was also completed leading to improvements in efficiencies and a reduction in operating costs.

Airsprung Group PLC

Strategic report for the year ended 31 March 2023 (continued)

On a more corporate basis, despite the financial turmoil in the past year facing pension schemes, the pension deficit reported in the accounts has remained stable at £13.9 million (2022: £13.8 million).

During the year we were successful in disposing of an underutilised area of the Trowbridge site to a local food manufacturer. This disposal provided capital that was used to de-leverage the business and has also allowed for further investment in the business. There remain further, albeit much smaller, opportunities to drive new revenue from the excess space on the site that management are working on.

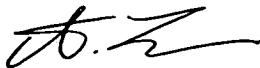
Future developments and observations

The Group is now very well placed to benefit from any upturn in the market place and the general economy. We have new, very exciting and innovative products coming on stream and we remain, for a large part of our business, in a sector that traditionally performs better than most in difficult times. The Group's marketing image is stronger than ever and the response from our customers is highly positive. We believe that focusing very strongly on new products and concepts, such as health, wellbeing and sustainability will continue to appeal to consumers, particularly as the economy improves as inflation is forecast to fall.

Principal Risks and uncertainties

The principal risks and uncertainties are discussed in the Directors' report.

This report was approved by the board on 29 September 2023 and signed on its behalf by



A Lisanti

Airsprung Group PLC

Directors' report for the year ended 31 March 2023

The directors submit their report together with the audited consolidated financial statements for the year ended 31 March 2023.

Profits and dividends

The consolidated income statement on page 13 shows a profit before tax of £7,242,000 (2022: loss £1,097,000). The profit before tax is after charging £377,000 (2022: loss £339,000) notional interest charge on pension scheme liabilities. The directors do not recommend a final payment of a dividend (2022: £nil ordinary shares). The movement of the defined benefit pension scheme resulted in an actuarial loss of £336,000 (2022: gain of £2,026,000). A total comprehensive income of £6,569,000 (2022: income of £929,000) has been transferred to reserves (see page 14).

Principal Activities

The principal activity of the Group and subsidiary undertakings is the manufacture, import and supply of beds, mattresses and upholstery. The directors do not foresee any major change in the level or nature of the Group's business.

Directors and their interests

The directors of the company at 31 March 2023 all of whom served throughout the year and to the date of signing the financial statements except as noted below, were:

A Lisanti
T Dallaway
A Perloff
S Peters

Portnard Limited, a company that A Perloff has an interest in, owned the entire share capital in the company. Apart from the interests disclosed above, no other directors had interests at any time in the year in the share capital or loan stock of the company or in other Group companies.

There were no commitments or contracts during or at the end of the year in which a director of the company is, or was, materially interested and which are, or were, significant in relation to the Group's business other than as disclosed in the note of related party disclosure.

Corporate governance

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the UK and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 group and parent company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

Directors' report for the year ended 31 March 2023 (continued)

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the UK have been followed for the group

Financial statements and United Kingdom Accounting Standards, comprising FRS 102, have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;

- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent company will continue in business.

The directors are also responsible for safeguarding the assets of the group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

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

- so far as the director is aware, there is no relevant audit information of which the group and parent company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group and parent company's auditors are aware of that information.

Statement of disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditors are unaware, and each Director has taken all the steps that he/ she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Internal controls — risk management

The board of directors has overall responsibility for the Group's system of internal control and for reviewing its effectiveness, while management are required to implement board policies on risk and control. The system of internal control is designed to manage rather than eliminate the risk of failure of business objectives. In pursuing these objectives, internal controls can provide only reasonable and not absolute assurance against material misstatement or loss.

The Group has an established control framework which aims to:

- safeguard Group assets;
- ensure proper accounting records are maintained;
- provide reliable financial information for internal and external use.

During the year the board undertook a formal re-assessment of risk management and control arrangements in order to form a view on the overall effectiveness of the system of internal control.

The key elements of this system are:

Directors' report for the year ended 31 March 2023 (continued)

- a comprehensive budgeting system, with annual budgets approved by the Group board; detailed monthly reporting, including forecasting to the Group board and comparison of results against budget, with performance monitoring and explanations provided for significant variances;
- a defined procedure for seeking and obtaining approval for major transactions.

Going concern

The Group's business activities, together with the factors likely to affect its future development and performance are set out in the review of the business contained in the Strategic report on page 2. The Group's financial statements show details of its financial position including, in note 20, details of its financial instruments, maturity of financial liabilities and its exposure to currency risk.

The Group's working capital requirements are met by cash generated from operating activities and the disposal of surplus fixed assets

Airsprung Furniture Limited, a subsidiary of the Group, uses a Supplier Invoice Discounting Facility. The facility is available based on 100% of the qualifying debtors to fund the working capital needs of the business.

The directors have considered inflation as well as the potential challenges that may arise from war in Ukraine. These challenges could impact consumer demand, the supply chain, and the ability of the company to manufacture. The directors are satisfied that the business model has demonstrated its ability to operate in such situations, and consider that it is well placed to deal with these potential challenges. They have prepared forecasts which demonstrate the group has sufficient headroom within the current facilities to deal with a reasonable level of unforeseen events. The directors are satisfied it is reasonable to expect continued support from key stakeholders, including the investors, bank and pension fund. Therefore the directors have prepared the financial statements on a going concern basis.

Non-current assets

The Group's freehold land and buildings were professionally valued as at 1 April 1997 and this valuation has been incorporated into the consolidated balance sheet. Additions since 1 April 1997 are included at cost. The directors consider the market value of freehold property at 31 March 2023 to be in excess of that shown in the balance sheet.

Employee involvement

The directors recognise the need to keep employees informed about the Group's performance and progress, provide information on matters of concern to them and consult as appropriate. Bonus schemes and other incentives have been developed to enable employees to benefit more directly from their performance. Consultative meetings are held between senior management and employees through employee forums, with elected representatives from the workforce.

Directors' and Officers' liability insurance

The Group purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

Directors' report for the year ended 31 March 2023 (continued)

Creditor payment policy

The Group's current policy concerning the payment of its creditors is to: agree the terms of payment with its suppliers; ensure that those suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; pay in accordance with its established contractual and other legal obligations once satisfactory performance of services or receipt of goods is achieved. The Group's average creditor days figure for the year is 44 days (2022:56 days).

Disabled employees

The Group's employment policy takes account of the special care necessary to identify aptitudes, abilities and training needs of disabled employees and applicants so they may be effectively utilised to mutual benefit within the Group.

Health, safety and the environment

The directors take seriously their responsibilities for health, safety and the environmental aspects of the business and have developed policies and procedures in order to ensure, as far as is reasonably practicable, compliance with best practice.

Pensions

The assets of the pension schemes established for the benefit of the Group's employees are held, separately from those of the Group, by Trustees.

Principal risks and uncertainties

The Group's financial risk management objectives are detailed in note 20 of the financial statements. This includes details of the Group's exposure to interest rate, currency risks, credit risks, interest risk, high input price inflation, the war in Ukraine and liquidity risk.

Economic conditions

The Group sells its products primarily to the retail sector and as such its performance is inevitably linked to the strength of its retail customers who in turn have a high dependence on consumer spending levels. Consumer spending is predominantly driven by the general health of the underlying economic conditions prevailing at any time and either its real impact on consumers or their personal confidence in relation to their ability to purchase what are generally discretionary goods. The Group's strategy of having a portfolio of businesses that operate across the bed and, to a lesser extent, the upholstery market segments assist in de-risking the Group to any one specific socio demographic consumer group. It is unusual that in difficult economic conditions that all sectors of the furniture market suffers in equal proportions, hence the ability to supply different sectors that purchase at very different price levels provides an element of cushioning.

Operating efficiencies

Operational efficiencies, particularly in the Group's volume businesses, are critical to maintaining margins and hence overall Group profitability. This area of the business is highly dependent on employing experienced and appropriately educated and trained management who bring to the Group significant operational skills. Targeted investment in plant, equipment and logistics are imperative in

Directors' report for the year ended 31 March 2023 (continued)

maintaining high levels of customer service, demanded by all retailers but must provide the Group with acceptable returns on those investments. The opportunity to maximise the tangible and human assets across the Group continues to suggest further profitable benefits in this area.

Key relationships

Major customers

The Group recognises that in some of its businesses there is a high level of reliance on relatively few customers that are providing the majority of demand. This situation to a great extent reflects the growth of the national multiple retailers at the expense of the traditional independent retailer that has been witnessed in many market sectors. The benefits to the Group of being key suppliers to these large retailers are many but include distribution efficiencies, purchasing benefits, manufacturing efficiencies and to date surety of payment. The major retailers enjoy the benefits of working with a smaller number of larger suppliers giving rise to administration benefits and purchasing leverage.

Reliance on key suppliers

The Group is not over exposed to any one key supplier even though for purchasing leverage purposes there are preferred suppliers who provide the majority of certain materials. In all cases, there are second tier suppliers who at relatively short notice are able to supply materials in the event of a preferred supplier failing to do so.

The Group's businesses take advantage of competitively priced materials from both UK and overseas but retain the ability to manufacture many of the key materials in-house thus balancing risk to financial benefit.

Statement by the directors in accordance with s172 (1) Companies Ac 2006

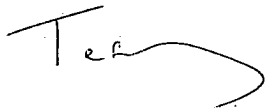
In accordance with Section 172 of the Companies Act 2006, the directors of the Group have acted in a way they consider to be in good faith and would be most likely to promote the success of the Group for the benefit of its members as a whole. In doing so, the directors have had regard to factors including:

- (a) the likely consequences of any decision in the long term,
- (b) the interests of the company's employees,
- (c) the need to foster the company's business relationships with suppliers, customers and others,
- (d) the impact of the company's operations on the community and the environment,
- (e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly as between members of the company.

Directors' report for the year ended 31 March 2023 (continued)

The directors are conscious that they have clear responsibilities to ensure that the business behaves with an ethical and responsible culture within the industry sector it operates. The business is fully engaged with developing and maintaining appropriate technical standards in the production of its goods and that via independent auditing processes high social and ethical employment and supplier standards are also maintained. The directors recognise that the shareholder is supportive of the business and that they should in turn be treated in fair and transparent fashion.

The Directors' report has been approved by the Board of Directors and signed on behalf of the board by:



T Dallaway
Finance Director and Company Secretary
29 September 2023

Independent auditors' report to the members of Airsprung Group PLC

Opinion

We have audited the financial statements of Airsprung Group PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated income statement, the Consolidated balance sheet, the Consolidated Statement of comprehensive income, the Consolidated cash flow statement, and the Consolidated 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 International Financial Reporting Standards (IFRSs) as adopted by the UK.

In our opinion the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 March 2023, and of the group's profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the UK; 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group and parent 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 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 group 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.

Independent auditors' report to the members of Airsprung Group PLC (continued)

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 group'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 group or to cease operations, or have no realistic alternative but to do so.

Auditor 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.

Identifying and assessing potential risks related to irregularities

The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- We have considered the nature of the industry and sector, control environment and business performance.
- We have considered the results of our enquiries of management and the directors about their own identification and assessment of the risk of irregularities.
- For any matters identified we have obtained and reviewed the group's documentation of their policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risk of fraud and whether they have knowledge of actual, suspected, or alleged fraud; and,
 - The internal controls established to mitigate the risks of fraud or non-compliance with laws and regulations.
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, and incorrect recognition of revenue was identified as the greatest potential area for fraud.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included:

- Health and Safety regulations
- Employment law and
- Furniture and furnishings (fire) regulations

Independent auditors' report to the members of Airsprung Group PLC (continued)

Audit response to risks identified

We identified the recognition of revenue as a key audit matter related to the potential risk of fraud. Our procedures to respond to risks identified included the following:

- Undertaking various substantive tests of detail in relation to the recognition of revenue;
- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management concerning actual and potential litigation claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement or fraud; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

These procedures were considered at both the parent company and subsidiary level as appropriate.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors/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.

Other matter

We have reported separately on the parent company financial statements of Airsprung Group PLC for the year ended 31 March 2023.



John Talbot (Senior Statutory Auditor)
for and on behalf of Bishop Fleming LLP
Chartered Accountants and Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date: 29 September 2023

Airsprung Group PLC

Consolidated income statement for the year ended 31 March 2023

	Note	2023 £000	2022 £000
Revenue	3	29,035	28,352
Cost of sales		(24,471)	(23,073)
Gross profit		4,564	5,279
Operating costs	4	(6,388)	(6,032)
Other income	4	40	86
Operating profit/(loss) is analysed as:			
Before depreciation, amortisation and exceptional items		(1,426)	(277)
Depreciation and amortisation	5	(358)	(390)
Operating (loss)/profit before exceptional items		(1,784)	(667)
Exceptional item-gain on disposal of land and buildings		9,601	-
Operating profit/(loss) before financing		7,817	(667)
Finance costs	7	(575)	(430)
Profit/(loss) before tax		7,242	(1,097)
Income tax	8	(337)	-
Profit/(loss) for the period		6,905	(1,097)

**Consolidated statement of comprehensive income
for the year ended 31 March 2023**

All the below figures relate to continuing operations.

		2023	2022
	Note	£000	£000
Profit/(loss) for the financial year		6,905	(1,097)
Actuarial (loss)/gain on defined benefit pension scheme	15	(336)	2,026
Movement on deferred tax asset relating to pension scheme	15	-	-
Total comprehensive income for the year attributable to equity shareholders		6,569	929

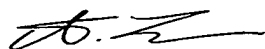
Airsprung Group PLC

Consolidated balance sheet as at 31 March 2023

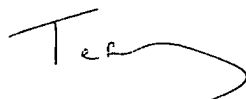
	Note	2023 £000	2022 £000
Intangible assets	9	100	100
Property, plant and equipment	10	4,431	5,640
Deferred tax asset	16	-	337
Total non-current assets		4,531	6,077
Inventories	11	3,246	3,420
Trade and other receivables	12	5,380	3,657
Cash and cash equivalents	19	4,539	31
Total current assets		13,165	7,108
Total assets		17,696	13,185
Called up share capital	17	2,389	2,389
Share premium account	18	2,348	2,348
Other reserves	18	3,000	3,000
Accumulated losses	18	(9,655)	(16,224)
Total deficit		(1,918)	(8,487)
Borrowings	14	-	1,231
Pension scheme deficit	15	13,879	13,757
Total non-current liabilities		13,879	14,988
Trade and other payables	13	5,706	6,635
Borrowings	14	29	49
Total current liabilities		5,735	6,684
Total liabilities		19,614	21,672
Total equity and liabilities		17,696	13,185

The financial statements on pages 13 to 47 were approved and authorised for issue by the board of directors on 29 September 2023 and signed on its behalf by

Directors



A Lisanti
29 September 2023



T. Dallaway

Company Registration Number: 1277785. The notes on pages 18 to 47 form part of these financial statements. The independent auditors' report on the financial statements is on pages 10 to 12.

Airsprung Group PLC

Consolidated cash flow statement for the year ended 31 March 2023

	2023	2022
Note	£000	£000
Profit/(loss) for the year	6,905	(1,097)
Adjustments for:		
Income tax expense	337	-
Depreciation	358	390
Interest expense	575	430
Contributions to defined benefit pension scheme	(591)	(550)
Profit on sale of property, plant and equipment	(9,601)	-
Operating cash flows before movements in working capital	(2,017)	(827)
Decrease/(increase) in inventories	174	(395)
(Increase)/decrease in receivables	(1,805)	1,924
Decrease in payables	(233)	(1,492)
Cash used in operations	(3,881)	(790)
Interest paid	(198)	(91)
Net cash used in operating activities	(4,079)	(881)
Investing activities		
Proceeds on disposal of property, plant and equipment	10,914	-
Purchase of property, plant and equipment	(312)	(98)
Net cash from/(used) in investing activities	10,602	(98)
Financing activities		
Loan received	1,550	200
Repayment of loan	(2,750)	-
Payment of finance lease liabilities	(51)	(25)
Net cash generated/(used) from financing activities	(1,251)	175
Net increase/(decrease) in cash and cash equivalents	5,272	(804)
Cash and cash equivalents at beginning of year	(733)	71
Cash and cash equivalents at end of year	4,539	(733)

Airsprung Group PLC

Consolidated statement of changes in equity for the year ended 31 March 2023

	Called up share capital £000	Share premium account £000	Share option reserve £000	Other reserves £000	Accumulated losses £000	Total equity £000
Balance as at 1 April 2021	2,389	2,348	-	3,000	(17,153)	(9,416)
Dividends	-	-	-	-	-	-
Loss for the financial year	-	-	-	-	(1,097)	(1,097)
Actuarial gain on defined benefit pension scheme	-	-	-	-	2,026	2,026
Movement on deferred tax asset relating to pension scheme	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	929	929
Balance as at 31 March 2022	2,389	2,348	-	3,000	(16,224)	(8,487)
Balance as at 1 April 2022	2,389	2,348	-	3,000	(16,224)	(8,487)
Dividends	-	-	-	-	-	-
Profit for the financial year	-	-	-	-	6,905	6,905
Actuarial loss on defined benefit pension scheme	-	-	-	-	(336)	(336)
Movement on deferred tax asset relating to pension scheme	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	6,569	6,569
Balance as at 31 March 2023	2,389	2,348	-	3,000	(9,655)	(1,918)

Airsprung Group PLC

Notes to the financial statements for the year ended 31 March 2023

General information

The company is a public limited company incorporated and domiciled in England. The address of its registered office is Canal Road, Trowbridge, Wiltshire BA14 8RQ.

1. Basis of preparation

These consolidated financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards as adopted by the UK (IFRSs as adopted by the UK), IFRS IC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The accounting policies have been applied consistently throughout the year.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the fair value of share based payments and financial assets and financial liabilities at fair value through the income statement.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 2.20.

Although these estimates are based on management's best knowledge of the amount, event or actions, the actual results ultimately may differ from those estimates. A summary of the more important Group accounting policies is set out below.

2. Accounting policies

2.1. Basis of consolidation

The consolidated financial statements incorporate the financial statements of Airsprung Group PLC and its subsidiaries.

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Notes to the financial statements for the year ended 31 March 2023 (continued)

2.1 Basis of consolidation (continued)

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

2.2. Revenue recognition

Revenue is measured as the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, allowances and value added tax. Revenue is recognised in line with IFRS 15, when the performance obligations have been satisfied.

Sales of goods and services are recognised on delivery when the risks and rewards of ownership pass to the customer.

2.3. Foreign currencies

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's presentation currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

Continued exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the year.

2.4. Pension costs

2.4.1. Defined Benefit Scheme

The defined benefit scheme previously operated by the Group closed to future accrual on 31 May 2006. For this scheme the amounts charged to operating profit are gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the income statement if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost, calculated based on the net pension asset or liability multiplied by the discount rate, is shown as a net amount of other finance costs or credits.

Actuarial gains and losses are recognised immediately in the consolidated statement of comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately on the face of the balance sheet.

2.4.2. Defined Contribution Scheme

The Group operates defined contribution schemes for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

Notes to the financial statements for the year ended 31 March 2023 (continued)

2.5. Taxation

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management evaluates positions taken in the tax returns with respect to situations in which the applicable tax regulation is subject to interpretation and has established provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred corporation tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and tax losses, to the extent that they are regarded as recoverable. They are regarded as recoverable where, on the basis of available evidence, there will be suitable taxable profits against which the future reversal of the underlying temporary differences can be deducted. The carrying value of the amount of deferred tax assets is reviewed as at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all, or part, of the tax asset to be utilised.

Deferred corporation tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been substantively enacted at the balance sheet date.

2.6. Property, plant and equipment

Property, plant and equipment are held at cost or deemed cost, net of depreciation less any provision for impairment. Costs include the original purchase price of the assets and the costs attributable to bringing the asset to its working condition for its intended use, including any qualifying finance costs. Depreciation is provided by the straight line method at rates calculated to write off the cost of the assets, other than freehold land, less their estimated residual value over their expected useful lives:

Freehold land:	Nil
Freehold buildings:	2½% per annum
Plant and equipment:	10% to 33⅓% per annum

2.7. Impairment of non-current assets

At each balance sheet date, the Group reviews the carrying amounts of its non-current 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.

The 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 risk 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 (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Notes to the financial statements for the year ended 31 March 2023 (continued)

2.7 Impairment of non-current assets (continued)

Other than impairment of goodwill, where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

2.8. Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables

Trade receivables arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. Trade receivables are initially recorded at fair value and subsequently remeasured at amortised cost, less any provision for impairment. Any change in their value through impairment or reversal of impairment is recognised immediately in the income statement. As a result of the adoption of IFRS 9, the Group applies a simplified approach to measuring expected credit losses in respect of these balances.

Provision against trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Debtor provision

The company recognises a provision against potential bad debts. Management consider the ageing profile and known concerns over recoverability when establishing this provision.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and bank overdrafts. In the statement of financial position, to the extent that a bank overdraft exists they are shown within current liabilities.

2.9. Financial assets

In the event the Group were to impair its financial assets, the impairment charge in the consolidated statement of comprehensive income would include the change in expected credit losses for the financial assets held at amortised cost. Expected credit losses are calculated using an appropriate probability of default, adjusted to take into account a range of possible future economic scenarios, and applying this to the estimated exposure of the Group at the point of default after taking into account the value of any collateral held or other mitigants of loss.

At initial recognition, allowance is made for expected credit losses resulting from default events that are possible within the next 12 months (12-month expected credit losses). In the event of a significant increase in credit risk, allowance is made for expected credit losses resulting from all

Notes to the financial statements for the year ended 31 March 2023 (continued)

2.9. Financial assets (continued)

possible default events over the expected list of the financial instrument (lifetime expected credit losses). Financial assets where 12-month expected credit losses are recognized are considered to be Stage 1; financial assets which are considered to have experienced a significant increase in credit risk are in Stage 2; and financial assets which have defaulted or are otherwise considered to be credit impaired are allocated to Stage 3.

An assessment of whether credit risk has increased significantly since initial recognition considers the change in the risk of default occurring over the remaining expected life of the financial instrument. The assessment is unbiased, probability-weighted and uses forward-looking information consistent with that used in the measurement of expected credit losses. A judgement is made regarding the credit risk of financial assets as to whether they have significantly when past due. Where the credit risk subsequently improves such that it no longer represents a significant increase in credit risks on origination, the asset is transferred back to Stage 1.

For financial instruments that are considered to have low credit risk, the credit risk is assumed to not have increased significantly since initial recognition. Financial instruments are considered to have low credit risk when the borrower is considered to have a low risk of default from a market perspective, such as external bank accounts.

Assets are transferred to Stage 3 when they have defaulted or are otherwise considered to be credit impaired. IFRS 9 contains a rebuttable presumption that default occurs no later than when a payments is 90 days past due. This Group uses this 90 day backstop.

2.10. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost on a first-in, first-out basis 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 less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Provision has been made, where required, for slow moving, obsolete and defective stock.

The company recognises a provision against potential obsolete and slow moving stock. Management consider the ageing profile and known concerns over recoverability when establishing this provision.

2.11. Leased assets

The Group has taken out leases for vehicles and machinery.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Notes to the financial statements for the year ended 31 March 2023 (continued)

2.11. Leased assets (continued)

Lease payments to be made under reasonably certain extension options are also included in the measurements of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment within similar terms, security and conditions.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When the adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right of use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the consolidated statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability in each period.

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or significant change in the circumstances occurs, which effects this assessment, and that is within the control of the lessee.

Right of use assets are measured at cost comprising the following:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs

Right of use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If the Group is reasonably certain to exercise a purchase option, the right of use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all low-value assets are recognised on a straight-line basis as an expense in the consolidated statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets often comprise small pieces of equipment and office furniture.

The effects of adoption of IFRS 16 are immaterial to the accounts.

Notes to the financial statements for the year ended 31 March 2023 (continued)

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

2.12. Segmental reporting

An operating segment is defined as a component of the entity:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about the resources to be allocated to the segment and assesses its performance;
- for which discrete financial information is available.

The board of directors has been identified as the CODM. The Group's management information system produces reports for the board, grouping financial performance under the following business areas:

- beds
- other activities

2.13. New standards and interpretations

New standards and interpretations to existing standards that are not yet effective and have not been early adopted by the Group:

- Amendment to IFRS 16-Leases on sale and leaseback, effective for accounting periods beginning on or after 1 January 2024
- Amendment to IFRS 7- supplier finance arrangements effective for accounting periods beginning on or after 1 January 2024
- IFRS 51-General requirements for disclosure of sustainability-related financial information, effective for accounting periods beginning on or after 1 January 2024
- IFRS 52-climate –related disclosures, effective for accounting periods beginning on or after 1 January 2024

The impact of the above changes on the Group are being assessed but are not expected to be significant.

2.14. Equity instruments

Share capital is determined using the nominal value of shares that have been issued. Dividends are included in current liabilities when the dividends are approved in the general meeting prior to the balance sheet date.

2.15. Intangible assets

Intangible assets include brand names and customer lists that qualify for recognition as an intangible asset in a business combination. They are accounted for using the cost model whereby capitalised costs are amortised on a straight line basis over their estimated useful lives as these assets are considered finite. Intangible assets are amortised over a period of up to ten years. Amortisation has been included within the administrative costs in the income statement.

Airsprung Group PLC

Notes to the financial statements for the year ended 31 March 2023 (continued)

2.16. Capital maintenance

The Group's objectives when managing capital are: to safeguard the entity's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders; to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

2.17. Going concern

The Group made an operating profit of £7,817,000 (2022: £667,000 loss) and have net current assets of £7,430,000 (2022: net current assets £424,000). The directors have considered the cost of living crisis as well as the potential challenges that may arise from the war in Ukraine. These challenges could impact consumer demand, the supply chain, and the ability of the Group to manufacture. The directors are satisfied that the business model has demonstrated its ability to operate in such situations, and consider that it is well placed to deal with these potential challenges. They have prepared forecasts which demonstrate the Group has sufficient headroom within the current anticipated facilities to deal with a reasonable level of unforeseen events.

These forecasts are based on a number of assumptions. Also, the business is anticipating a growth in revenue and profitability. Details of the defined pension liability is shown in note 15. The directors consider these assumptions to be reasonable and have prepared their assessment of going concern on this basis. The directors are satisfied it is reasonable to expect continued support from key stakeholders, including the investors, bank and pension fund. Therefore the directors have prepared the financial statements on a going concern basis.

2.18. Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable.

2.19. Pension valuation

The present value of the defined benefit pension scheme depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 15, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2020 has been used by the actuary in valuing the pensions liability at 31 March 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Notes to the financial statements for the year ended 31 March 2023 (continued)

2.20. Significant accounting estimates and judgements

Judgements in applying accounting and key sources of estimation uncertainty are stock provision, bad debt provision and actuarial assumptions used for the defined benefit pension scheme.

With respect to the stock provision, slow moving and obsolete stock is analysed. For the bad debt provision old & risky trade debts are reviewed. A professional actuary sets and calculates the assumptions used for the defined benefit pension scheme.

3. Revenue

Our management information system produces reports for the Board grouping financial performance under the following business areas:

- beds
- other activities

The business areas have been split into two reportable operating segments, namely beds and other activities. Included within the beds operating segment are products sold under the trade names Airsprung Beds, Gainsborough, Hush and Hush-a-Bye Beds. Other activities include products sold under the Cavendish Upholstery, Airofreem, Swanglen Furnishings and Arena Design trade names.

Airsprung Group PLC

Notes to the financial statements for the year ended 31 March 2023 (continued)

3.1. Revenue

The following revenue information is based on the products sold to customers:

	2023 £000	2022 £000
Beds	22,928	22,815
Other activities	6,107	5,537
Revenue per consolidated income statement	<u>29,035</u>	<u>28,352</u>

Other significant revenue

	2023 £000	2022 £000
Grants received	-	47

(Loss)/profit before tax per consolidated income statement

The following profit/(loss) information is based on products sold to customers and their associated costs:

	2023 £000	2022 £000
Beds	(3,078)	(1,448)
Other activities	(225)	270
	<u>(3,303)</u>	<u>(1,178)</u>

Reconciliation of adjusted (loss)/profit before tax from the segmented reporting provided above to loss before tax in the consolidated statement of comprehensive income:

	2023 £000	2022 £000
Adjusted (loss)/profit before tax per reportable segments	(3,303)	(1,178)
Central charges and profit on disposal of land and buildings	10,545	81
Profit/(loss) before tax per consolidated income statement	<u>7,242</u>	<u>(1,097)</u>

3.2. Segment assets and liabilities

The Group reports total assets to its Chief Operating Decision Maker. The Group's total assets and liabilities are not split between those allocated to beds and those allocated to other activities. As such, information regarding these total assets has already been disclosed in the financial statements.

Airsprung Group PLC

Notes to the financial statements for the year ended 31 March 2023 (continued)

3.3. Major customers

During the year there were 3 customers (2022: 3) who comprised 10% or more of revenue:

	2023 £000	2022 £000
Major customer 1	11,128	12,539
Major customer 2	3,072	3,865
Major customer 3	2,953	2,891
	<u>17,153</u>	<u>19,295</u>

3.4. Geographical information

The following table provides an analysis of the Group's revenue by geographical market.

	2023 £000	2022 £000
United Kingdom	28,760	28,012
Rest of the world	275	340
	<u>29,035</u>	<u>28,352</u>

All assets are located within the United Kingdom.

4. Operating costs

Net operating costs are analysed as follows:

	2023 £000	2022 £000
Distribution costs	3,752	3,442
Administration costs	2,636	2,590
Other income	(40)	(86)
	<u>6,348</u>	<u>5,946</u>

Judgements in applying accounting and key sources of estimation uncertainty are stock provision, bad debt provision and the defined benefit pension scheme.

Airsprung Group PLC

Notes to the financial statements for the year ended 31 March 2023 (continued)

5. Operating loss

	2023 £000	2022 £000
Operating loss is stated after charging/(crediting):		
Auditors' remuneration for:		
Fees payable to the company's auditors for the audit of the parent company and consolidated financial statements	25	20
Fees payable to the company's auditors for other services: the audit of the company's subsidiaries	30	25
Fees payable to the company's auditors for non-audit services	-	-
Depreciation of owned assets	333	336
Depreciation of leased assets	25	54
Profit on disposal of fixed asset	9,601	-
Directors' emoluments excluding pension contributions	338	332
Furlough grant	-	37

6. Employee information

	2023 Number	2022 Number
a) The monthly average number of employees, including executive directors, was:		
Production	217	231
Distribution	24	24
Administration	70	68
	<u>311</u>	<u>323</u>

Airsprung Group PLC

Notes to the financial statements for the year ended 31 March 2023 (continued)

6. Employee information (continued)

	2023 £000	2022 £000
b) Employment costs, including executive directors:		
Wages and salaries	8,241	8,218
Social security costs	779	719
Other pension costs	741	700
	<u>9,761</u>	<u>9,637</u>
Company pension contribution to defined contribution pension scheme	<u>185</u>	<u>197</u>

The highest paid director received remuneration (including salary and benefits in kind) of £167,000 (2022: £168,000) and a company pension contribution to a defined contribution pension scheme of £nil (2022: nil).

7. Finance income and finance costs

	2023 £000	2022 £000
Finance costs	(1)	(4)
Interest charge on pension scheme liability	(377)	(339)
Other interest charges	<u>(197)</u>	<u>(87)</u>
Finance costs	<u>(575)</u>	<u>(430)</u>

Airsprung Group PLC

Notes to the financial statements for the year ended 31 March 2023 (continued)

8. Income tax

a) Analysis of charge in the year:

	2023 £000	2022 £000
The charge is made up as follows:		
Current tax		
UK corporation tax at 19% (2022: 19%)	-	-
Total current tax charge	-	-
Deferred tax		
Origination and reversal of timing differences	641	-
Tax rate change	(42)	-
Prior year	(262)	-
Total deferred tax charge	337	-
Tax charge on profit on ordinary activities	337	-

b) Factors affecting tax charge for the year

The rate of current tax charge on profit on ordinary activities varied from the standard rate of corporation tax in the UK due to the following factors:

	2023 £000	2022 £000
UK standard corporation tax rate		
Profit/(loss) before tax due to continuing and discontinuing operations	7,242	(1,097)
Tax at the standard UK rate	1,376	(208)
Expenses not deductible for tax purposes	(141)	33
Effects of group relief	(420)	-
Deferred tax not recognised	856	175
Capital gains	(1,029)	-
Tax rate change	(43)	-
Prior year adjustment	(262)	-
Total taxation (continuing operations)	337	-

No taxation was attributable to discontinued operations during the period.

Airsprung Group PLC

Notes to the financial statements for the year ended 31 March 2023 (continued)

8. Income tax (continued)

c) Factors that may affect future tax changes:

The UK main corporation tax rate will increase from 19% to 25% with effect from 1 April 2023.

The relevant deferred tax balances will be re-measured accordingly in 23/24.

9. Intangible assets

	Goodwill £000	Intangible Assets £000	Total £000
Cost at 1 April 2021	100	170	270
Provision	-	-	-
Cost at 1 April 2022	100	170	270
Provision	-	-	-
Cost at 31 March 2023	100	170	270
Accumulated amortisation at 1 April 2021	-	170	170
Charge for the year	-	-	-
Accumulated amortisation at 1 April 2022	-	170	170
Charge for the year	-	-	-
Accumulated amortisation at 31 March 2023	-	170	170
Net book value			
at 31 March 2023	100	-	100
at 31 March 2022	100	-	100
at 31 March 2021	100	-	100

Airsprung Group PLC

Notes to the financial statements for the year ended 31 March 2023 (continued)

10. Property, plant and equipment

	Freehold land and buildings	Plant and equipment	Total
	£000	£000	£000
Cost at 1 April 2021	8,833	11,742	20,575
Additions	-	98	98
Disposals	-	-	-
Cost at 1 April 2022	8,833	11,840	20,673
Additions	-	312	312
Disposals	(2,324)	(284)	(2,608)
Cost at 31 March 2023	6,509	11,868	18,377
Accumulated depreciation at 1 April 2021	3,745	10,898	14,643
Charge for the year	185	205	390
Disposals	-	-	-
Accumulated depreciation at 1 April 2022	3,930	11,103	15,033
Charge for the year	189	169	358
Disposals	(1,161)	(284)	(1,445)
Accumulated depreciation at 31 March 2023	2,958	10,988	13,946
Net book value			
at 31 March 2023	3,551	880	4,431
at 31 March 2022	4,903	737	5,640
at 31 March 2021	5,088	844	5,932

At 31 March 2023 the net book value of plant and equipment includes £88,000 (2022:£113,000) in respect of assets held under finance leases and similar hire purchase contracts.

Cost or valuation of freehold land and buildings includes £4,945,000 in respect of properties which were professionally valued on an open market existing use basis as at 1 April 1997. The valuation was undertaken by Alder King in accordance with the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors. The valuation was deemed to be cost on conversion of the financial statements to IFRS.

Airsprung Group PLC

Notes to the financial statements for the year ended 31 March 2023 (continued)

11. Inventories

	2023	2022
	£000	£000
Raw materials	2,431	2,459
Work-in-progress	260	339
Finished goods	555	622
	<u>3,246</u>	<u>3,420</u>

The cost of inventory which has been taken to the income statement is £18.1 million (2022: £18.2 million). Included within the inventory values stated above is an inventory provision of £608,000 (2022: £808,000).

12. Trade and other receivables

	2023	2022
	£000	£000
Trade receivables	6,084	4,315
Less provisions for impairment	<u>(1,142)</u>	<u>(1,182)</u>
Trade receivables – net	4,942	3,133
Prepayments and accrued income	438	438
Corporation tax	-	86
	<u>5,380</u>	<u>3,657</u>

12.1. Ageing of receivables

The Group regularly reviews the ageing profile of trade receivables and actively seeks to collect any amounts that have fallen outside the defined credit terms. The Group provides, in full, for any debts it believes have become non-recoverable.

The ageing of trade receivables at 31 March 2023 is detailed below:

	2023	2022
	£000	£000
Current	4,138	2,043
Up to 90 days overdue	799	1,060
Past 91 days overdue	5	30
	<u>4,942</u>	<u>3,133</u>

Airsprung Group PLC

Notes to the financial statements for the year ended 31 March 2023 (continued)

13. Trade and other payables

	2023 £000	2022 £000
Overdraft	-	764
Trade payables	3,390	3,393
Corporation tax	-	82
Other taxation and social security	538	473
Accruals and deferred income	1,778	1,923
	<u>5,706</u>	<u>6,635</u>

14. Borrowings

	2023 £000	2022 £000
Current		
Bank loan	-	-
Obligations under finance leases	29	49
	<u>29</u>	<u>49</u>
Non-current		
Loan	-	1,200
Obligations under finance leases	-	31
	<u>-</u>	<u>1,231</u>

Notes to the financial statements for the year ended 31 March 2023 (continued)

14. Borrowings (continued)

a) Supplier invoice discounting facility

Airsprung Furniture Limited uses an uncommitted Supplier Invoice discounting facility. The facility is available based on 100% of qualifying debtors to fund the working capital needs of the business. Interest is charged at 2.9%. At 31 March 2023 £200,000 (2022:£1,050,000) had been drawn down on the facility.

b) Finance lease liabilities

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

c) Loan

HMP Limited, a related party, had provided a £1.2 million loan for the general cash flow requirements and ongoing investment in the business as at March 2022 at an interest rate of 5%. The loan was fully repaid during the year.

15. Pensions

The Group operates a funded group pension scheme, established under trust, providing defined benefits based on final salary. The scheme was closed to all future accrual on 31 May 2006. The assets of the scheme are held separately from those of the Group. BlackRock Investment Management (UK) Limited, Standard Life Global Absolute Return Strategies, Fidelity Institutional Real Estate Fund, Legal and General Investment Management and Aviva Investors Jersey Unit Trust act as investment managers to the Trustees of the scheme. The latest actuarial valuation of the scheme was carried out as at 31 March 2020. The independent scheme Actuary valued the scheme using the projected unit method.

A market-consistent approach for valuing assets and liabilities was adopted. The principal assumptions used in the valuation were:

Pre-retirement discount rate: 2.40%

Post-retirement discount rate: 1.40%

Pension increases: 1.90% - 5.00%

The value of the liabilities of £40.6 million exceeds the market value of the assets of £21.4 million, which on an ongoing basis means that the funding level is 53%.

The employer contributions for the year to 31 March 2023 was £591,000 (2022: £550,000). The next actuarial valuation is due as at 31 March 2023.

To produce these statements, the full valuation of the Airsprung Retirement and Death Benefits Plan as at 31 March 2020 was updated to 31 March 2023 by the Actuary.

The major assumptions used by the Actuary were:

	31 March 2023	31 March 2022
	%	%
Rate of increase in pensions in payment	3.10	3.35
Discount rate	4.85	2.80
Inflation RPI	3.30	3.75
Inflation CPI	2.50	2.95

Airsprung Group PLC

Notes to the financial statements for the year ended 31 March 2023 (continued)

15. Pensions (continued)

Life expectancy assumptions in line with SAPS 'S3' "Heavy" tables for males and SAPS 'S3' "Middle" tables for females. CMI 2021 projections subject to a long term trend of 1.25% p.a. and a smoothing parameter of 7 and 'A' factor of 0.25%.

The assets of the scheme were:

	31 March 2023 £m	31 March 2022 £m
Target return fund assets	13.1	21.6
Cash and insured pensions	0.7	0.5
	13.8	22.1

Airsprung Group PLC

Notes to the financial statements for the year ended 31 March 2023 (continued)

15 Pensions (continued)

The following amounts were measured in accordance with the requirements of IAS 19:

	2023 £000	2022 £000
Total market value of assets	13,378	22,089
Present value of scheme liabilities	(27,257)	(35,846)
Recognised deferred tax asset	-	-
Deficit in scheme	(13,879)	(13,757)

Total funds as a result of recognition in the financial statements were:

	2023 £000	2022 £000
Net assets		
Total funds excluding pension deficit	11,961	5,270
Pension deficit	(13,879)	(13,757)
Total funds including pension deficit	(1,918)	(8,487)
Reserves		
Retained earnings excluding pension deficit	4,224	(2,467)
Pension deficit	(13,879)	(13,757)
Accumulated losses including pension deficit	(9,655)	(16,224)

Airsprung Group PLC

Notes to the financial statements for the year ended 31 March 2023 (continued)

15 Pensions (continued)

Charge to the financial statements:

	2023	2022
	£000	£000
Operating charge:		
Current service cost	-	-
Past service cost	-	-
Administration cost	-	-
Gains and losses on any settlements or curtailments	-	-
	-	-
Pension finance costs:		
Interest income on pension scheme assets	609	473
Interest charge on pension scheme liabilities	(986)	(812)
Total charge:	(377)	(339)

Airsprung Group PLC

Notes to the financial statements for the year ended 31 March 2023 (continued)

15 Pensions (continued)

	2023 £000	2022 £000
<u>Obligations</u>		
at 1 April	35,846	38,354
Interest cost on pension scheme liabilities	986	812
Past service costs	-	-
Benefits paid	(1,248)	(1,250)
Actuarial gain on obligation	(8,327)	(2,070)
at 31 March	27,257	35,846
<u>Plan assets</u>		
at 1 April	22,089	22,360
Interest income on pension scheme assets	609	473
Employer Contributions	591	550
Benefits paid	(1,248)	(1,250)
Actuarial (loss)/gain on plan assets	(8,663)	(44)
at 31 March	13,378	22,089
<u>Movements in deficit</u>		
at 1 April	(13,757)	(15,994)
Employer Contributions	591	550
Past service cost	-	-
Other financial costs	(377)	(339)
Actuarial gain/(loss)	(336)	2,026
at 31 March	(13,879)	(13,757)

Airsprung Group PLC

Notes to the financial statements for the year ended 31 March 2023 (continued)

16. Deferred tax (asset)/liability

	2023 £000	2022 £000
Property, plant and equipment temporary differences	334	513
Losses	(334)	(850)
Other temporary differences	-	-
Total deferred tax (asset)/liability	-	(337)
Net deferred tax (asset)/liability	-	(337)
at 1 April	(337)	(337)
Prior year adjustment	(262)	-
Transfer to income statement	599	-
at 31 March	-	(337)

Of the temporary difference of £2,637,000 (2022: £2,613,000) in respect of the IAS 19 pension deficit £nil (2022: £nil) has been recognised. The total balance of temporary difference £3,598,000 (2022: £3,121,000) was unrecognised. Losses of £1,364,000 (2022: £70,000) and fixed assets differences of £215,000 (2022: £174,000) were also unrecognised.

Deferred tax amounts are all payable beyond 12 months of the financial year end.

17. Called up share capital

	Issued and fully paid	
	Number	£000
Ordinary shares of 10p each at 31 March 2022 and 31 March 2023	23,888,698	2,389

Authorised share capital is £4 million.

Airsprung Group PLC

Notes to the financial statements for the year ended 31 March 2023 (continued)

18. Share premium account and other reserves

	Share premium account £000	Other reserves £000	Accumulated losses £000
at 1 April 2022	2,348	3,000	(16,224)
Total comprehensive income	-	-	6,569
at 31 March 2023	2,348	3,000	(9,655)

19. Cash and cash equivalents

	2023 £000	2022 £000
Cash at bank and in hand	4,539	31

Bank balances and cash comprise cash held by the Group and the carrying value of these assets approximates to their fair value.

20. Financial instruments

The Group's financial instruments comprise borrowings, cash and various items that arise directly from its operations. The Group's operations are funded by cash generated from operating activities. The risks arising from the Group's financial instruments are interest rate risk, foreign currency risk and credit risk.

The interest rate on all borrowings is variable. As the Group predominantly trades in sterling, exposure to foreign currency risk is minimal. Foreign currency transactions are settled at the daily spot rate where no forward contracts are in place. In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

a) Cash at bank and in hand

	2023 £000	2022 £000
Cash at bank and in hand	4,539	31

Cash at bank and in hand is held in sterling and earns interest at 2% (2022: 0%).

Airsprung Group PLC

Notes to the financial statements for the year ended 31 March 2023 (continued)

20 Financial instruments (continued)

b) Maturity of financial liabilities

The maturity profile of the carrying amount of the Group's financial liabilities, other than short-term payables such as trade payables and accruals at 31 March was as follows:

	Debt £000	Finance leases £000	2023 Total £000	Debt £000	Finance leases £000	2022 Total £000
Within one year, or on demand	-	29	29	-	49	49
Between 1 and 2 years	-	-	-	-	31	31
Between 2 and 5 years	-	-	-	1,200	-	1,200
	-	29	29	1,200	80	1,280

The Group has an overdraft facility available at 31 March 2023 of nil (2022: £1.25 million), secured on certain elements of the Group's property. The security is of a floating nature and is formally reviewed in September.

The banking facilities of the company and its subsidiaries are cross guaranteed.

c) Fair values

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments.

Secured loans

As the loans are floating rate borrowings, amortised cost is deemed to reflect fair value.

Trade and other receivables/payables

As the majority of receivables/payables have a remaining life of less than one year, the notional amount is deemed to reflect the fair value.

d) Foreign Currency risk

The Group is exposed to transaction and translation foreign risk, in relation to the euro and US dollar.

Approximately 6% (2022: 8%) of the purchases made by the Group during the year to 31 March 2023 were from overseas suppliers. Foreign exchange differences on the conversion of these balances are taken to the income statement of the Group companies and the Group.

At 31 March 2023 the Group companies had monetary assets in Euros and US dollars of £30,000 (2022: £25,000). Exchange differences on retranslation of these assets are taken to the income statement of the Group companies and the Group.

A 5% change in the euro and US dollar exchange rates would impact the income statement by approximately £50,000 (2022: £65,000).

Airsprung Group PLC

Notes to the financial statements for the year ended 31 March 2023 (continued)

20 Financial instruments (continued)

e) Credit risk

The Group monitors credit risk closely and considers its current policies of credit checks meet its objectives of managing exposure to credit risk.

The aging of receivables is shown in note 12.1.

f) Interest rate risk

The Group does not undertake any hedging activity in this area. The Group's interest rate risk primarily arises from its supplier discounting facilities and long-term borrowings.

The borrowings issued at variable rates expose the group to cash flow interest rate risk which is partially offset by cash held at variable rates. During 2022 and 2023, the Group's borrowings at variable rate were denominated in Sterling. The group monitors its exposure to interest rate risk to ensure that it is reasonable.

At the year end the Group is exposed to interest rate fluctuations although the Group held net funds of £4,539,000 (2022: £31,000). A 1% movement in interest rates would impact the interest receipt by £45,000 (2022: £300).

g) Liquidity risk

Cash flow forecasting is performed in the operating entities of the Group and is aggregated by Group finance. Group finance monitors rolling forecasts of the group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its available Supplier invoice discounting facilities (note 14) at all times so that the group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans and covenant compliance.

Airsprung Group PLC

Notes to the financial statements for the year ended 31 March 2023 (continued)

21. Financial assets and liabilities

Classification of the Group's financial instruments is as below:

	Loans and receivables £000	Non-financial Assets £000	Total £000
Financial assets at 31 March 2023			
Cash and cash equivalents	4,539	-	4,539
Trade and other receivables	4,942	438	5,380
Total	9,481	438	9,919
	Financial liabilities at amortised costs £000	Liabilities not within scope of IFRS 9 £000	Total £000
Financial liabilities at 31 March 2023			
Trade and other payables	3,390	1,778	5,168
Long term borrowings – current	-	-	-
Finance lease liability – current	-	29	29
Long term borrowings – non current	-	-	-
Finance lease liability - non current	-	-	-
Taxes payable	-	538	538
Total	3,390	2,345	5,735
	Loans and receivables £000	Non-financial Assets £000	Total £000
Financial assets at 31 March 2022			
Cash and cash equivalents	31	-	31
Trade and other receivables	3,133	438	3,571
Total	3,164	438	3,602
	Financial liabilities at amortised costs £000	Liabilities not within scope of IFRS 9 £000	Total £000
Financial liabilities at 31 March 2022			
Trade and other payables	3,393	1,923	5,316
Overdraft	764	-	764
Finance lease liability – current	-	49	49
Long term borrowings - non current	1,200	-	1,200
Finance lease liability - non current	-	31	31
Taxes payable	-	473	473
Total	5,357	2,476	7,833

Airsprung Group PLC

Notes to the financial statements for the year ended 31 March 2023 (continued)

22. Related party disclosures

During the year Portnard Limited, the Group's owner and ultimate controlling party, loaned to the Group £nil (2022: £nil). Group repaid £465,000 (2022: £150,000) of the loan during the year. As at 31 March 2023 £nil (2022: £465,000) was outstanding.

HMP Limited, a related party, have previously lent the Group £1,200,000. A further £1,550,000 was lent in the year ending 31 March 2023. The entire loan was repaid by 31 March 2023. The interest rate on the loan is 6%. The loan was secured against part of the Group's property portfolio.

The Group made sales to Anglia Home Furnishings Limited, a related party, of £3,091,000 (2022: £2,891,000). As at 31 March 2023 £1,175,000 (2022: £676,000) was outstanding from Anglia Home Furnishings Limited. Subsequent to the year end this balance was fully settled.

Group tax relief has been utilised in the year from New start 2020 limited (£802,000) and Anglia Home Furnishings limited (£1,411,000), both related parties.

Any other transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Detail of remuneration paid to the directors is shown in note 6.

23. Operating lease commitments

The Group leases various premises under non-cancellable operating lease agreements. The lease terms are up to 10 years, and the majority of lease agreements are renewable at the end of the lease period at market rate.

The Group leases various plant and machinery under cancellable operating lease agreements. The lease expenditure charged to the income statement during the year is disclosed in note 5.

	2023 £000	2022 £000
The future aggregate minimum lease payments under non-cancellable operating leases as follows:		
No later than 1 year	23	42
Later than 1 year and no later than 5 years	2	69
Later than 5 years	111	111
	136	222

Airsprung Group PLC

Notes to the financial statements for the year ended 31 March 2023 (continued)

24. Ultimate parent undertaking and controlling party and subsidiary undertakings

The immediate parent undertaking and ultimate parent undertaking is Portnard Limited a company incorporated in Jersey.

Airsprung Group PLC is the parent undertaking of the largest group of undertakings to consolidate these financial statements.

The following are subsidiary companies of Airsprung Group PLC as at 31 March 2023. Unless otherwise stated, all the below companies are owned 100% by Airsprung Group PLC (either directly or indirectly). All companies below are incorporated in the United Kingdom and have the same registered address as the Group. Unless otherwise stated, all share types below are vote-carrying.

Company Name	Principal Activity	Share Type(s) Held
Airofreem Limited	Dormant	Ordinary
Airsprung Beds Limited	Dormant	Ordinary
Airsprung Furniture Limited	Bed and furniture manufacturing	Ordinary
Airsprung Limited	Dormant	Ordinary
Airsprung Property Limited	Dormant	Ordinary
Airsprung Scotland Limited	Dormant	Ordinary
Arena Design Associates Limited	Dormant	Ordinary
Bymacks Limited	Dormant	Ordinary
Casterbridge Furniture Limited	Dormant	Ordinary
Cavendish Upholstery Limited	Dormant	Ordinary
Dreamnight Limited	Dormant	Ordinary
Fitex Products Limited	Dormant	Ordinary
Flametex Fillings Limited	Dormant	Ordinary
Gainsborough Limited	Dormant	Ordinary
Gimson & Slater Limited	Dormant	Ordinary
Hush Sleep Collection Limited	Dormant	Ordinary
Intasco Limited	Dormant	Ordinary
Mensaco Limited	Dormant	Ordinary
Nocturne Limited	Dormant	Ordinary
Sleepmaker Beds Limited	Dormant	Ordinary
Springmaster Limited	Dormant	Ordinary
Sprung Foam Limited	Dormant	Ordinary
Swanglen Furnishings Limited	Dormant	Ordinary
United Bedding Corporation Limited	Dormant	Ordinary
Warwick Upholstery Company Limited	Dormant	Ordinary

25. New standards and interpretations

New standards and interpretations to existing standards that are not yet effective and have not been early adopted by the Group:

- Amendment to IFRS 16-Leases on sale and leaseback, effective for accounting periods beginning on or after 1 January 2024
- Amendment to IFRS 7- supplier finance arrangements effective for accounting periods beginning on or after 1 January 2024
- IFRS S1-General requirements for disclosure of sustainability-related financial information, effective for accounting periods beginning on or after 1 January 2024
- IFRS S2-climate –related disclosures, effective for accounting periods beginning on or after 1 January 2024

The impact of the above changes on the Group are being assessed but are not expected to be significant.

Airsprung Group PLC

Company financial statements

	Page
Independent auditors' report	49
Company balance sheet	52
Notes to the company financial statements	53

Independent auditors' report to the members of Airsprung Group PLC

Report on the audit of the parent company financial statements

Opinion

We have audited the financial statements of Airsprung Group PLC (the 'company') for the year ended 31 March 2023 which comprise the Balance Sheet, 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 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor 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 and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic and directors' report have been prepared in accordance with applicable legal requirements.

Independent auditors' report to the members of Airsprung Group PLC (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 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 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 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.

Identifying and assessing potential risks related to irregularities

The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- We have considered the nature of the industry and sector, control environment and business performance.
- We have considered the results of our enquiries of management and the directors in relation to their own identification and assessment of the risks of irregularities within the entity.
- For any matters identified we have obtained and reviewed the Company's documentation of their policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risk of fraud and whether they have knowledge of actual, suspected, or alleged fraud; and,
 - The internal controls established to mitigate the risks of fraud or non-compliance with laws and regulations.
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, and the risk of management override was identified as the greatest potential area for fraud.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included employment law..

Independent auditors' report to the members of Airsprung Group PLC (continued)

Audit response to risks identified

We identified the risk of management override as a key audit matter related to the potential risk of fraud, our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management concerning actual and potential litigation claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement or fraud; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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

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.



John Talbot (Senior Statutory Auditor)
for and on behalf of Bishop Fleming LLP
Chartered Accountants and Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

29 September 2023

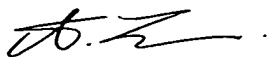
Airsprung Group PLC

Company balance sheet as at 31 March 2023

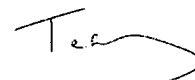
	Note	2023 £000	2022 £000
Tangible assets	3	13	6
Investments	4	1,005	1,005
		<u>1,018</u>	<u>1,011</u>
Current assets			
Debtors	5	8,688	7,807
Cash at bank and in hand		298	2,298
		<u>8,986</u>	<u>10,105</u>
Creditors: amounts falling due within one year	6	(343)	(807)
Net current assets		<u>8,643</u>	<u>9,298</u>
Total assets less current liabilities		<u><u>9,661</u></u>	<u><u>10,309</u></u>
Financed by			
Borrowings		-	1,200
Pension and similar obligations	7	13,879	13,757
		<u>13,879</u>	<u>14,957</u>
Capital and reserves			
Called up share capital	9	2,389	2,389
Share premium account	10	2,348	2,348
Capital redemption reserve	10	3,000	3,000
Profit and loss account	10	(11,955)	(12,385)
Total shareholders' deficit		<u>(4,218)</u>	<u>(4,648)</u>
		<u><u>9,661</u></u>	<u><u>10,309</u></u>

The profit before other comprehensive income attributable to members of the parent company is £796,000 (2022: £829,000).

The financial statements on pages 52 to 59 were approved and authorised for issue by the board on 29 September 2023 and signed on its behalf by:



A Lisanti
Company registered number:01277785



T Dallaway

Notes to the company financial statements for the year ended 31 March 2023

1. Accounting policies

1.1. Accounting convention

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

These financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below. As a consolidated statement of comprehensive income is published, a profit and loss account for the parent company is omitted as permitted by section 408 of the Companies Act 2006.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. These exemptions are:

- (i) the requirement to prepare a statement of cash flows;
- (ii) certain financial instrument disclosures providing equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated;
- (iii) the requirement to disclose related party transactions, with the members of the same group, that are wholly owned;

1.2. Turnover

Turnover is measured as the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, allowances and value added tax.

Sales of goods and services are recognised on delivery when the risks and rewards of ownership pass to the customer.

1.3. Tangible fixed assets and depreciation

Tangible fixed assets are carried at historical cost less accumulated depreciation. The company has elected to take the FRS 102 transition exemption allowing property previously valued under UK GAAP to remain at that previous valuation at the transition date. Historical cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated to write off the cost or amount of the valuation of fixed assets less the estimated residual value by equal instalments over the estimated useful lives of the assets at the following principal annual rates:

Plant and equipment: 10% to 20%

(straight line)

1.4. Leases

Where the Group enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over the shorter of its estimated useful life and the lease term.

Airsprung Group PLC

Notes to the company financial statements for the year ended 31 March 2023 (continued)

1.4. Leases (continued)

Future instalments under such leases, net of finance charges, are included within creditors. Instalments paid are apportioned between finance charges, charged to the profit and loss account as interest, and capital deducted from obligations. All other leases are treated as operating leases and are charged to the profit and loss account on a straight line basis.

The commencement of the lease term is the date from which the lessee is entitled to exercise its right to use the leased asset.

1.5. Deferred tax

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and/or from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis in accordance with FRS 102.

1.6. Pensions

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

The Group operates a number of country-specific defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

(iii) Defined benefit pension plan

The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

Airsprung Group PLC

Notes to the company financial statements for the year ended 31 March 2023 (continued)

1. Accounting policies (continued)

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- (a) the increase in pension benefit liability arising from employee service during the period; and
- (b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as 'Finance expense'.

The present value of the defined benefit pension scheme depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in Group note 15, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2020 has been used by the actuary in valuing the pensions liability at 31 March 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

1.7. Investment in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment. Impairment reviews are performed by the Directors when there has been an indication of potential impairment.

1.8. Going concern

The directors have considered the cost of living crisis as well as the potential challenges that may arise from BREXIT and the war in Ukraine. These challenges could impact consumer demand, the supply chain, and the ability of the Group to manufacture. The directors are satisfied that the business model has demonstrated its ability to operate in such situations, and consider that it is well placed to deal with these potential challenges. They have prepared forecasts which demonstrate the Group has sufficient headroom within the current anticipated facilities to deal with a reasonable level of unforeseen events. These forecasts are based on a number of assumptions. Also, the business is anticipating a growth in revenue and profitability. Details of the defined pension liability is shown in note 15. The directors consider these assumptions to be reasonable and have prepared their assessment of going concern on this basis. The directors are satisfied it is reasonable to expect continued support from key stakeholders, including the investors, bank and pension fund.

Airsprung Group PLC

Notes to the company financial statements for the year ended 31 March 2023 (continued)

1.8 Going concern (continued)

Details of the defined pension liability is shown in note 15. The directors consider these assumptions to be reasonable and have prepared their assessment of going concern on this basis. The directors are satisfied it is reasonable to expect continued support from key stakeholders, including the investors, bank and pension fund. Therefore the directors have prepared the financial statements on a going concern basis.

2. Profit attributable to members of the parent company

The profit attributable to members of the parent company before other comprehensive income is £796,000 (2022: £829,000).

See Group note 5 for details of the remuneration paid to the auditors. Directors remuneration is disclosed in Group note 6.

3. Tangible assets

	Plant and equipment £000
Cost or valuation	
at 1 April 2022	286
Additions	12
at 31 March 2023	<u>298</u>
Accumulated Depreciation	
at 1 April 2022	280
Charge for year	5
at 31 March 2023	<u>285</u>
Net book value	
at 31 March 2023	<u>13</u>
at 31 March 2022	<u>6</u>

Airsprung Group PLC

Notes to the company financial statements for the year ended 31 March 2023 (continued)

4. Investments

	2023	2022
	£000	£000
Shares in Group companies at 1 April	978	978
Loans to Group companies	27	27
	<u>1,005</u>	<u>1,005</u>

The principal trading subsidiary is Airsprung Furniture Limited. The company holds 100% of the issued ordinary share capital of Airsprung Furniture Limited. Airsprung Furniture Limited is incorporated in Great Britain and is engaged in the manufacture and sale of furniture.

The directors believe that the carrying value of the investments is supported by potential for generating net cash inflows.

5. Debtors

	2023	2022
	£000	£000
Trade debtors	2	7
Prepayments and accrued income	28	10
Intercompany balances	8,658	7,790
	<u>8,688</u>	<u>7,807</u>

6. Creditors: amounts falling due within one year

	2023	2022
	£000	£000
Related party loan	-	465
Other taxation and social security	56	56
Corporation tax	-	52
Accruals and deferred income	287	234
	<u>343</u>	<u>807</u>

Airsprung Group PLC

Notes to the company financial statements for the year ended 31 March 2023 (continued)

7. Pension

See Group note 15 on pages 36 to 40. There are no differences between treatment of the defined benefit scheme under IFRS in the consolidated financial statements compared with FRS 102 in these parent company statements.

8. Deferred tax (asset)/liability

Of the temporary difference of £2,637,000 (2022: £2,613,000) in respect of the defined pension deficit £nil (2022: £nil) has been recognised. The total balance of temporary difference £3,508,000 (2022: £3,026,000) was unrecognised. Fixed assets differences of £3,000 (2022: £5,000) were also unrecognised.

9. Called up share capital

	Issued and fully paid	
	Number	£000
Ordinary shares of 10p each at 31 March 2022 and 31 March 2023	23,888,698	2,389

10. Share premium account and reserves

	Share premium account £000	Share option reserve £000	Capital redemption reserve £000	Profit and loss account £000
at 1 April 2021	2,348	-	3,000	(15,240)
Profit for the financial year	-	-	-	829
Actuarial loss	-	-	-	2,026
Movement on deferred tax asset relating to pension scheme	-	-	-	-
at 31 March 2022	2,348	-	3,000	(12,385)
at 1 April 2022	2,348	-	3,000	(12,385)
Profit for the financial year	-	-	-	796
Actuarial loss	-	-	-	(366)
Movement on deferred tax asset relating to pension scheme	-	-	-	-
at 31 March 2023	2,348	-	3,000	(11,955)

Airsprung Group PLC

Notes to the company financial statements for the year ended 31 March 2023 (continued)

11. Related party disclosures

During the year Portnard Limited loaned to the Group £nil (2022: £nil). Group repaid £465,000 (2022: £150,000) of the loan during the year. As at 31 March 2023 £nil (2022: £465,000) was outstanding.

HMP Limited, a related party, have previously lent the Group £1,200,000. A further £1,550,000 was lent in the year ending 31 March 2023. The entire loan was repaid in the year ending 31 March 2023. The interest rate on the loan is 6%. The loan was secured against part of the Group's property portfolio.

In accordance with the exemptions available under FRS 102 Section 33 'Related party disclosures', there is no disclosure in these financial statements of transactions between entities that are part of the Group.

Full disclosure of all directly or indirectly owned subsidiaries matches that disclosed in Note 24 of the Consolidated Financial Statements.

12. Incorporation information

The Airsprung Group PLC is a company incorporated in England. The company is a privately owned company limited by shares. See note 24 of the consolidated financial statements for further information.