

Pod Bidco Limited
Financial Statements
For the year ended
31 July 2023



Pod Bidco Limited

Strategic Report

Year ended 31 July 2023

The Directors present the strategic report for the year ended 31 July 2023.

Fair review of the business

Pod Bidco was established in June 2019 as part of the acquisition of Vanilla Electronics Limited. It is a non-trading holding company that primarily holds investments in four subsidiaries: Vanilla Electronics Ltd, Bela Electronics Design, Interconics Ltd and Golledge Electronics Ltd.

During the year the company has continued to hold these investments as well as a loan. We continue to assess opportunities for acquisitions and disposals in line with our long-term strategy.

Principal risks and uncertainties

Interest rate increases have increased borrowing costs on the loan held by the company. This has been managed through the wider group and as borrowings are paid down the risk will decrease.

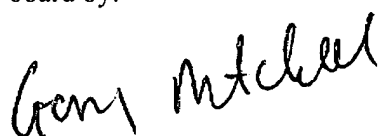
Inflation has pushed up a number of operating expenses for Bidco's investments, including energy and raw materials. The Directors have managed this risk through reducing non-core expenditure and fixing or renegotiating with suppliers where possible and from a commercial perspective requoteing where appropriate to mitigate price rises. The investments have remained profitable and reflects that this strategy has been effective and the risk continues to be monitored and managed through procurement and commercial controls.

Key performance indicators

The key financial highlights from the last three years are set out below. These show continued growth in the value of Bidco's investments.

	2021	2022	2023
	(£000s)	(£000s)	(£000s)
Value of investments	8,791	21,977	22,858

This report was approved by the board of directors on 30 January 2024 and signed on behalf of the board by:



G Mitchell
Director

Registered office:
Unit One
Mundford Road Trading Estate
Thetford
IP24 1HX

Pod Bidco Limited

Directors' Report

Year ended 31 July 2023

The directors present their report and the financial statements of the company for the year ended 31 July 2023.

Directors

The directors who served the company during the year were as follows:

G Mitchell
D A Croft
M G Negus

M G Negus resigned as a director on 8th January 2024 and J Drake was appointed as a director on 8th January 2024.

Dividends

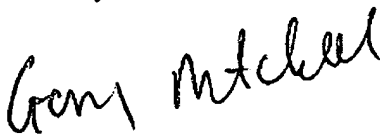
The directors do not recommend the payment of a dividend.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

This report was approved by the board of directors on 30 January 2024 and signed on behalf of the board by:



G Mitchell
Director

Registered office:
Unit One
Mundford Road Trading Estate
Thetford
IP24 1HX

Pod Bidco Limited

Directors' Responsibilities Statement

Year ended 31 July 2023

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

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

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

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

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

Pod Bidco Limited

Independent Auditor's Report to the Members of Pod Bidco Limited

Year ended 31 July 2023

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Pod Bidco Limited

Independent Auditor's Report to the Members of Pod Bidco Limited *(continued)*

Year ended 31 July 2023

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. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Pod Bidco Limited

Independent Auditor's Report to the Members of Pod Bidco Limited *(continued)*

Year ended 31 July 2023

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the company and sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006 and taxation legislation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

Pod Bidco Limited

Independent Auditor's Report to the Members of Pod Bidco Limited *(continued)*

Year ended 31 July 2023

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

Pod Bidco Limited

Independent Auditor's Report to the Members of Pod Bidco Limited *(continued)*

Year ended 31 July 2023

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

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



Jonathan Day (Senior Statutory Auditor)

For and on behalf of
Streets Audit LLP
Chartered accountants & statutory auditor
Enterprise House
38 Tyndall Court
Commerce Road
Lynch Wood
Peterborough
Cambridgeshire
PE2 6LR

30 January 2024

Pod Bidco Limited

Statement of Income and Retained Earnings

Year ended 31 July 2023

	Note	2023 £	2022 £
Administrative expenses		<u>4,668</u>	<u>47,223</u>
Operating loss		(4,668)	(47,223)
Other interest receivable and similar income	4	65,450	–
Interest payable and similar expenses	5	<u>1,033,794</u>	<u>291,629</u>
Loss before taxation		(973,012)	(338,852)
Tax on loss	6	<u>–</u>	<u>–</u>
Loss for the financial year and total comprehensive income		<u>(973,012)</u>	<u>(338,852)</u>

All the activities of the company are from continuing operations.

The notes on pages 11 to 16 form part of these financial statements.

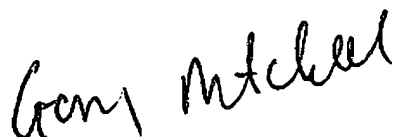
Pod Bidco Limited

Statement of Financial Position

31 July 2023

		2023		2022
	Note	£	£	Restated £
Fixed assets				
Investments	7		22,857,587	21,977,248
Current assets				
Debtors	8	353,300		353,300
Creditors: amounts falling due within one year	9	<u>15,382,828</u>		<u>10,303,534</u>
Net current liabilities			<u>15,029,528</u>	<u>9,950,234</u>
Total assets less current liabilities			<u>7,828,059</u>	<u>12,027,014</u>
Creditors: amounts falling due after more than one year	10		<u>9,094,492</u>	<u>12,320,435</u>
Net liabilities			<u>(1,266,433)</u>	<u>(293,421)</u>
Capital and reserves				
Called up share capital	11		1	1
Profit and loss account	12		<u>(1,266,434)</u>	<u>(293,422)</u>
Shareholders deficit			<u>(1,266,433)</u>	<u>(293,421)</u>

These financial statements were approved by the board of directors and authorised for issue on 30 January 2024, and are signed on behalf of the board by:



G Mitchell
Director

Company registration number: 12675520

The notes on pages 11 to 16 form part of these financial statements.

Pod Bidco Limited

Notes to the Financial Statements

Year ended 31 July 2023

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Unit One, Mundford Road Trading Estate, Thetford, IP24 1HX.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The financial statements have been prepared on a going concern basis by the directors despite the loss in the year and net liabilities at the balance sheet date. The group continues to trade profitably and generates positive cashflows to meet its liabilities as they fall due for payment. Detailed group forecasts are also prepared which continue to show the group is trading profitably. The directors have also received group support for a period of at least 12 months from the date the financial statements are approved. For these reasons, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Techpoint Group Limited which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 400 of the Companies Act 2006 on the basis that it is a subsidiary undertaking and its immediate parent undertaking is established under the law any part of the UK.

Pod Bidco Limited

Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

In application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the periods of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

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

Presentation of bank loans

Bank loans have been categorised in the financial statements according to the substance and terms of the loans following the waiver of loan covenants at the year end by the group's lenders and subsequent renegotiation of the lending covenants after the balance sheet date.

Deferred consideration

The directors have included the best estimate of the future estimated and total liability of deferred and earn out consideration of purchased entities following the contractual agreements.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Pod Bidco Limited

Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

4. Other interest receivable and similar income

	2023	2022
	£	£
Other interest receivable and similar income	<u>65,450</u>	<u>—</u>

5. Interest payable and similar expenses

	2023	2022
	£	£
Interest on banks loans and overdrafts	1,030,049	291,629
Other interest payable and similar charges	<u>3,745</u>	<u>—</u>
	<u>1,033,794</u>	<u>291,629</u>

6. Tax on loss

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is higher than (2022: higher than) the standard rate of corporation tax in the UK of 21% (2022: 19%).

	2023	2022
	£	£
Loss on ordinary activities before taxation	<u>(973,012)</u>	<u>(338,852)</u>
Loss on ordinary activities by rate of tax	(204,333)	(64,382)
Effect of expenses not deductible for tax purposes	17,412	8,973
Group relief	<u>186,921</u>	<u>55,409</u>
Tax on loss	<u>—</u>	<u>—</u>

7. Investments

	Shares in group undertakings £
Cost	
At 1 August 2022	21,977,248
Other movements	<u>880,339</u>
At 31 July 2023	<u>22,857,587</u>
Impairment	
At 1 August 2022 and 31 July 2023	<u><u>—</u></u>

Pod Bidco Limited

Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

7. Investments *(continued)*

	Shares in group undertakings £
Carrying amount At 31 July 2023	22,857,587
At 31 July 2022	21,977,248

Subsidiaries, associates and other investments

	Class of share	Percentage of shares held
Subsidiary undertakings		
Vanilla Electronics Limited Unit 1 Mundford Road Trading Estate, Thetford, IP24 1HX	Ordinary	100
Bela Electronic Designs Holdings Limited 12-14 Brooklands Woburn Road Industrial Estate, Kempston, Bedford, MK42 7UH	Ordinary	100
Bela Electronic Designs Limited 12-14 Brooklands Woburn Road Industrial Estate, Kempston, Bedford, MK42 7UH	Ordinary	100
Interconics Limited Atworth Business Park, Bath Road Atworth, Melksham, Wiltshire, SN12 8SB	Ordinary	100
Golledge Electronics Limited Bull Pen, Eaglewood Park, Ilminster, Somerset, TA19 9DQ	Ordinary	100

The shares in Bela Electronic Designs Limited are indirectly held by the company.

8. Debtors

	2023	2022 <i>Restated</i>
	£	£
Amounts owed by group undertakings	353,300	353,300

A prior period adjustment has been made to prepayments and accrued income for loan arrangement fees which have been reanalysed to loans due less than one year and more than one year. There has been no adjustment to reserves or to the Income Statement.

Pod Bidco Limited

Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

9. Creditors: amounts falling due within one year

	2023	2022 <i>Restated</i>
	£	£
Bank loans and overdrafts	1,962,611	1,044,611
Amounts owed to group undertakings	10,914,129	7,375,630
Accruals and deferred income	2,505,339	1,883,293
Corporation tax	749	–
	<u>15,382,828</u>	<u>10,303,534</u>

Refer to note 10 regarding securities held in relation to bank loans.

A prior period adjustment has been made to prepayments and accrued income for loan arrangement fees which have been reanalysed to loans due less than one year and more than one year. There has been no adjustment to reserves or to the Income Statement.

10. Creditors: amounts falling due after more than one year

	2023	2022 <i>Restated</i>
	£	£
Bank loans and overdrafts	9,094,492	11,120,435
Accruals and deferred income	–	1,200,000
	<u>9,094,492</u>	<u>12,320,435</u>

The bank loan relates to a combined facility agreement with Investec Bank that covers 3 individual loans totalling £11.157 million (2022 - £13.578 million). This is all secured over a fixed and floating charge that covers all property or undertakings of the group. Interest rate on the loans ranges from 3.5% to 4.75% per annum. There is a group guarantee with Investec Bank which covers the following group members, POD Bidco Limited, Vanilla Electronics Limited, Interconics Limited, Golledge Electronics Limited, Bela Electronic Designs Limited and Bela Electronic Design Holdings Limited.

Bank loans and overdrafts are categorized as due for payment under the substance of the terms of the loan facilities. At the year end the company was in the process of renegotiating the terms of the loans, these have since been agreed and £9,042,492 of the above loan balance is repayable after one year.

A prior period adjustment has been made to prepayments and accrued income for loan arrangement fees which have been reanalysed to loans due less than one year and more than one year. There has been no adjustment to reserves or to the Income Statement.

11. Called up share capital

Issued, called up and fully paid

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

Pod Bidco Limited

Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

12. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

13. Other financial commitments

The company together with the following fellow group members Interconics Limited, Vanilla Electronics Limited, Golledge Electronics Limited, Bela Electronic Designs Limited and Bela Electronic Design Holdings Limited have a cross guarantee with Investec Bank in respect of a fixed and floating charge over the assets of the company. At 31 July 2023 the total amount covered by the cross guarantee amounted to £13,683,644 (2022 - £13,577,490).

14. Controlling party

The immediate parent company is considered to be Pod Midco Limited, a company registered in England and Wales. The ultimate parent company is considered to be Literacy Capital PLC a company incorporated in England and Wales. Literacy Capital PLC is the largest company in the group that produces group consolidated accounts.