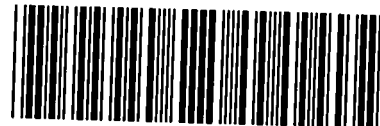


Registered number: 13189251

PANDA HOLDCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

THURSDAY



ABIG39DN

A10

08/12/2022

#312

COMPANIES HOUSE

PANDA HOLDCO LIMITED

CONTENTS

	Page
Company Information	1
Strategic Report	2
Directors' Report	3 - 6
Independent Auditors' Report	7 - 10
Statement of Comprehensive Income	11
Statement of Financial Position	12
Statement of Changes in Equity	13
Notes to the Financial Statements	14 - 23

PANDA HOLDCO LIMITED

COMPANY INFORMATION

Directors	J Boucher A O Fischer
Registered number	13189251
Registered office	c/o Rubicon Partners 8-12 York Gate London NW1 4QG
Independent auditors	Azets Audit Services 5 Yeomans Court Ware Road Hertford Hertfordshire United Kingdom SG13 7HJ

PANDA HOLDCO LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

Introduction

The directors present their Strategic Report for the company for the period ended 31 December 2021.

Business review

The company was incorporated on 9 February 2021. The financial statements are for the first financial period ended 31 December 2021.

During the period ended 31 December 2021, the company shortened its year end from 28 February 2022 to 31 December 2021 to align with other group companies.

The company is an intermediate holding company which acquired Panda Midco Limited, which in turn acquired Panda Bidco Limited, which in turn acquired Bamboo Distribution Limited.

During the period the company made a loss of £11,481 and at 31 December 2021 the company had net liabilities of £11,480.

Key performance indicators

Given the nature of the business as a holding company, the directors are of the opinion that analysis using numerous key performance indicators is not necessary for an understanding of the development, performance or position of the business.

As a holding company, the value of the investments is ultimately derived from the financial performance and position of the trading subsidiary. The financial statements for Bamboo Distribution Limited showed net assets of £22.8m as at 31 December 2021 and a profit before taxation of £3.4m for the 10 months period ended 31 December 2021. The directors consider that this performance was satisfactory.

Future developments

The directors do not anticipate any significant developments for the company during the coming year. The company is expected to continue as a holding company for the foreseeable future.

Principal risks and uncertainties

The company's activity as a holding company exposes it to a number of financial risks, the most significant of which is the possible impairment in the carrying value of its investments. These carrying values are reviewed by management each year and are compared to future discounted cash flows of the relevant investments. Credit risk, cash flow risk and liquidity risk do not represent significant issues as the company does not trade. The company regularly reviews its financial exposure and seeks to limit the adverse effects on its financial performance by monitoring levels of debt finance and related finance costs.

This report was approved by the board and signed on its behalf by:


J Boucher
Director

Date: 01/12/2022

PANDA HOLDCO LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2021**

The directors present their report and the audited financial statements for the period ended 31 December 2021.

Principal activity

The company's principal activity during the period was that of a holding company. The company's principal subsidiary undertakings are shown in note 9 to the financial statements.

Results and dividends

The loss for the period, after taxation, amounted to £11,481.

The directors do not recommend the payment of a dividend for the period.

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to 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.

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 company's auditors are unaware; and
- they taken all the steps that ought to have been taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

PANDA HOLDCO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2021**

Directors

The directors who served during the period and to the date of this report were:

J Boucher (appointed 9 February 2021)

A O Fischer (appointed 9 February 2021)

Qualifying third party indemnity provisions

The directors benefit from a qualifying indemnity provision in the form permitted by the Section 234 of the Companies Act 2006 in respect of certain third party actions against directors. No claim or notice of claim in respect of these indemnities has been received in the period. The qualifying indemnity provision was in force throughout the financial period and up to the date of approval of the Directors' Report.

Matters covered in the strategic report

The company has chosen in accordance with Companies Act 2006, s414C(11) to set out in the company's strategic report information required by Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and reports) Regulations 2008. Certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the Strategic Report on page 2. These matters relate to the business review, principal risks and uncertainties and future developments.

PANDA HOLDCO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

Going concern

These financial statements are prepared on the going concern basis which the directors consider to be appropriate for the reasons set out below.

The company had net liabilities of £11,480 and net current liabilities of £11,481 at the balance sheet date. The company funding comprises £16,120,418 payable to the company's parent undertaking and £9,319,737 of shareholder loan notes, both of which are repayable on demand (note 11).

In making their going concern assessment the directors have considered the future financial performance and liquidity of the company for a period in excess of 12 months from the date of authorisation of these financial statements. The company is continually forecasting its financial performance under a range of scenarios assessing the impact on profitability, funding, liquidity, funding covenants and capital position. These scenarios and stress tests are based on both historical experience and external factors, recognising the different geographic territories in which the company operates.

The directors have proactively discussed the ongoing impact of COVID in China with Shawbrook Bank, and have agreed new covenant tests up to and including 30 September 2023 due to the current macroeconomic climate. The directors have evaluated various forecast scenarios, along with the potential cost mitigating options available to the company. Specific severe downside scenarios have been assessed and management are confident that going forward they will maintain compliance with new, formally agreed covenants even in these stressed scenarios. The Group has a strong relationship with, and continued support from, its funders. Alongside this support from the funders the shareholders have injected £3,000k additional funds by the date of signing these financial statements.

More realistic scenarios have also been modelled which include assumptions around new business opportunities being negotiated plus a reasonable return to normal trading with China. The directors believe that these reflect a more realistic position as China begins its recovery.

The directors, having considered the above, are of the opinion that the company has adequate financial resources to continue in operational existence for at least 12 months from the date of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Economic impact of the COVID-19 pandemic

The COVID-19 pandemic continues to affect the UK and global economies however the recent lifting of social restrictions by the government means the directors anticipate the UK and global economies to return to growth in due course. It is not possible to predict how quickly and to what degree this may happen. The priorities of the directors remain to comply with any remaining regulatory requirements to the fullest extent possible, and to maintain the safety and well-being of the Company's personnel.

Post balance sheet events

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The directors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event.

PANDA HOLDCO LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2021

Independent auditors

During the period, Azets Audit Services was appointed as auditor.

The auditors, Azets Audit Services, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:



J Boucher
Director

Date: 9/12/2022

PANDA HOLDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PANDA HOLDCO LIMITED

Opinion

We have audited the financial statements of Panda Holdco Limited (the 'company') for the period ended 31 December 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information in the annual report other than the financial statements and our auditors' 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.

PANDA HOLDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PANDA HOLDCO LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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.

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.

PANDA HOLDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PANDA HOLDCO LIMITED

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we 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. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 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.

PANDA HOLDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PANDA HOLDCO LIMITED

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.

Azets Audit Services

**Lindsey Tyler FCA (Senior statutory auditor)
for and on behalf of Azets Audit Services**

Date: 01/12/2022

**Chartered Accountants
Statutory Auditor**

**5 Yeomans Court
Ware Road
Hertford
Hertfordshire
United Kingdom
SG13 7HJ**

PANDA HOLDCO LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2021

	Note	Period ended 31 December 2021 £
Interest receivable and similar income	6	1,578,674
Interest payable and similar expenses	7	(1,590,155)
Loss before tax		<u>(11,481)</u>
Tax on loss	8	-
Loss for the financial period		<u><u>(11,481)</u></u>
Other comprehensive income		-
Total comprehensive expense for the period		<u><u>(11,481)</u></u>

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.


The notes on pages 14 to 23 form part of these financial statements.

PANDA HOLDCO LIMITED
REGISTERED NUMBER: 13189251

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £
Fixed assets		
Investments	9	1
		<u>1</u>
Current assets		
Debtors: Amounts falling due within one year	10	25,428,674
		<u>25,428,674</u>
Creditors: Amounts falling due within one year	11	(25,440,155)
		<u>(25,440,155)</u>
Net current liabilities		(11,481)
Total assets less current liabilities		<u>(11,480)</u>
Net liabilities		<u>(11,480)</u>
Capital and reserves		
Called up share capital	12	1
Profit and loss account		(11,481)
		<u>(11,481)</u>
Total equity		<u><u>(11,480)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


J Boucher
Director

Date: 01/12/2022

The notes on pages 14 to 23 form part of these financial statements.

PANDA HOLDCO LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2021

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At date of incorporation on 9 February 2021	1	-	1
Comprehensive expense for the period			
Loss for the period	-	(11,481)	(11,481)
Other comprehensive income for the period	-	-	-
Total comprehensive expense for the period	-	(11,481)	(11,481)
Total transactions with owners	-	-	-
At 31 December 2021	1	(11,481)	(11,480)

The notes on pages 14 to 23 form part of these financial statements.

PANDA HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

1. General information

Panda Holdco Limited is a private company limited by shares and is incorporated and registered in England. The company's registered number is 13189251. The address of the registered office is c/o Rubicon Partners, 8-12 York Gate, London, NW1 4QG.

The company was incorporated on 9 February 2021. The financial statements are for the first financial period ended 31 December 2021.

During the period ended 31 December 2021, the company shortened its year end from 28 February 2022 to 31 December 2021, to align with other group companies.

The company's principal activity during the period was that of a holding company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The financial statements have been presented in Pounds Sterling as this is the currency of the primary economic environment in which the company operates and are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Panda Topco Limited as at 31 December 2021 and these financial statements may be obtained from c/o Rubicon Partners, 8-12 York Gate, London, United Kingdom, NW1 4QG.

PANDA HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.3 Exemption from preparing consolidated financial statements

The company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.4 Going concern

These financial statements are prepared on the going concern basis which the directors consider to be appropriate for the reasons set out below.

The company had net liabilities of £11,480 and net current liabilities of £11,481 at the balance sheet date. The company funding comprises £16,120,418 payable to the company's parent undertaking and £9,319,737 of shareholder loan notes, both of which are repayable on demand (note 11).

In making their going concern assessment the directors have considered the future financial performance and liquidity of the company for a period in excess of 12 months from the date of authorisation of these financial statements. The company is continually forecasting its financial performance under a range of scenarios assessing the impact on profitability, funding, liquidity, funding covenants and capital position. These scenarios and stress tests are based on both historical experience and external factors, recognising the different geographic territories in which the company operates.

The directors have proactively discussed the ongoing impact of COVID in China with Shawbrook Bank, and have agreed new covenant tests up to and including 30 September 2023 due to the current macroeconomic climate. The directors have evaluated various forecast scenarios, along with the potential cost mitigating options available to the company. Specific severe downside scenarios have been assessed and management are confident that going forward they will maintain compliance with new, formally agreed covenants even in these stressed scenarios. The Group has a strong relationship with, and continued support from, its funders. Alongside this support from the funders the shareholders have injected £3,000k additional funds by the date of signing these financial statements.

More realistic scenarios have also been modelled which include assumptions around new business opportunities being negotiated plus a reasonable return to normal trading with China. The directors believe that these reflect a more realistic position as China begins its recovery.

The directors, having considered the above, are of the opinion that the company has adequate financial resources to continue in operational existence for at least 12 months from the date of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2.5 Interest receivable and similar income

Interest receivable and similar income is recognised in the Statement of Comprehensive Income using the effective interest method.

PANDA HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.6 Interest payable and similar expenses

Interest payable and similar expenses are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Taxation

Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

PANDA HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

At each balance sheet date investments are assessed to determine whether there is an indication that the investment may be impaired. If there is such an indication the recoverable amount of the asset is compared to the recoverable amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and the asset's value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Comprehensive Income.

If an impairment loss is subsequently reversed, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior periods.

A reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

With the exception of the estimate described above, the directors consider that there are no other significant judgements or estimates in the preparation of these financial statements.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

PANDA HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.11 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In applying the accounting policies, the Directors are required to make judgements, estimates and assumptions affecting the carrying values 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, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and assumptions.

An estimate or judgement may be considered critical if it involves matters that are highly uncertain or where different estimation methods could reasonably have been used, or if changes in the estimate that would have a material impact on the company's results are likely to occur from period to period. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

The directors consider that the estimate of the value of the company's investments is critical owing to inherent uncertainties relating to forward looking information. Please see note 2.8.

With the exception of the estimate described above, the directors consider that there are no other significant judgements or estimates in the preparation of these financial statements.

PANDA HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

4. Auditors' remuneration

The company has taken advantage of the exemption not to disclose amounts paid to the company's auditors for non-audit services, as these are disclosed in the group accounts of the parent company.

Audit fees attributable to the company were borne by another group entity, Panda Bidco Limited, and not recharged. Hence are not included in comprehensive expenditure of the company.

5. Employees

The average monthly number of employees, including the directors, during the period was as follows:

	Period ended 31 December 2021 No.
Directors	2

The directors did not receive any remuneration for their services to the company in the period.

6. Interest receivable and similar income

	Period ended 31 December 2021 £
Loans to group undertakings	1,578,674

7. Interest payable and similar expenses

	Period ended 31 December 2021 £
Loans from parent undertakings	1,000,795
Shareholder's loan interest payable	589,360
	<u>1,590,155</u>

PANDA HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

8. Tax on loss

	Period ended 31 December 2021 £
Current tax on loss for the period	-
Total current tax	-
Deferred tax	
Total deferred tax	-
Tax on loss	-

Factors affecting tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	Period ended 31 December 2021 £
Loss before tax	(11,481)
Loss before tax multiplied by standard rate of corporation tax in the UK of 19%	(2,181)
Effects of:	
Effects of group relief	2,181
Total tax charge for the period	-

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

PANDA HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

9. Investments

	Investment in subsidiary companies £
Cost	
At 9 February 2021	-
Additions	1
At 31 December 2021	<u>1</u>
Net book value	
At 31 December 2021	<u><u>1</u></u>

The additions during the period relate to the company acquiring Panda Midco Limited on 10 February 2021.

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Panda Midco Limited	c/o Rubicon Partners, 8-12 York Gate, London, United Kingdom, NW1 4QG	Holding company	Ordinary	100%
*Panda Bidco Limited	c/o Rubicon Partners, 8-12 York Gate, London, United Kingdom, NW1 4QG	Holding company	Ordinary	100%
*Bamboo Distribution Limited	Unit 5 lo Centre, Lea Road, Waltham Abbey, EN9 1AS	Distribution of electrical goods.	Ordinary	100%
*Bamboo Environmental Ltd	Unit 5 lo Centre, Lea Road, Waltham Abbey, Essex, EN9 1AS	Dormant	Ordinary	100%
Bamboo Elektronik Geri Donusum Sanayi ve Ticaret Sirketi	Kozyatagi İçerenköy, Mah. Umut Sok., No.10-12, Atasehir Istanbul	Dormant	Ordinary	100%

* These entities are indirectly held by the company.

PANDA HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

10. Debtors: amounts falling due within one year

	2021 £
Amounts owed by group undertakings	25,428,674

The amounts owed by group undertakings are unsecured, bear interest at 8% per annum and are repayable on demand. Included in amounts owed by group undertakings are accrued interest of £1,578,674.

11. Creditors: amounts falling due within one year

	2021 £
Amounts owed to parent undertakings	16,120,418
Shareholder loans	9,319,737
	<u>25,440,155</u>

Amounts owed to parent undertakings are unsecured, bear interest at a rate of 8% per annum and is repayable on demand. Included in amounts owed to parent undertakings are accrued interest of £1,000,795.

The shareholder loans represent amounts due under the terms of a loan note agreement dated 4 March 2021. These loans are unsecured and bear interest at 8% per annum and are repayable on demand. Included in shareholder loans are accrued interest of £589,360.

PANDA HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

12. Called up share capital

	2021 £
Allotted, called up and fully paid	
1 Ordinary share of £1	<u>1</u>

At incorporation on 9 February 2021 the company issued 1 ordinary share with a nominal value of £1 at par value.

The ordinary share entitle each holder to one voting right and no right to fixed income.

13. Related party transactions

The company is exempt from disclosing related party transactions as they are with other companies that are wholly owned within the group.

At 31 December 2021, there was an outstanding shareholder loan from Rubicon Partners V Nominee Limited, a related company, of £8,730,377 and interest of £589,360 was accrued.

14. Post balance sheet events

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The directors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event.

15. Controlling party

The company's immediate and ultimate parent company is Panda Topco Limited, a company incorporated and registered in England. Panda Topco Limited is the largest group into which the company's financial statements are consolidated.

Copies of the group financial statements for the immediate and ultimate parent undertaking may be obtained from Rubicon Partners, 8-12 York Gate, London, NW1 4QG, which is the address of the registered office of both of these companies.

The ultimate controlling party of the company is Rubicon Partners V Nominee Limited, a company incorporated and registered in the United Kingdom, by virtue of its majority shareholding in Panda Topco Limited.