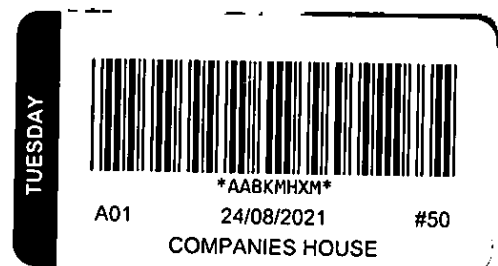


The National Bingo Game Association Limited
(Company Limited by Guarantee)

**Directors' report and financial
statements**

Registered number 1993814

For the 52 week period ended
27 December 2020



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Directors' report

The directors present their Directors' report and the financial statements for the period ended 27 December 2020.

Principal Activities

The company's principal activity is to organise and manage games of combined bingo in England, Wales and Scotland on behalf of the licensees of bingo club premises, who are members of The National Bingo Game Association Limited ("NBGA"), in accordance with the provisions of the Gambling Act 2005

Business Review

2020 was an understandably extremely challenging year for the NBGA due to the coronavirus pandemic. The primary purpose of the NBGA is to supply games and game services to licenced land-based bingo venues, all of which were closed from week 12 in FY2020. The flag ship product for NBGA is the National Bingo Game. Though lock-down was eased from 4th July 2020, regional variances (Tier System) and devolved variances directed by the Welsh Assembly and Holyrood, saw the only weeks where all clubs being open occurring in September, with local lock-downs recommencing in early October. Clubs, when permitted to be open, saw reduced attendances. NBG income is derived from Game Charges (based on club participation) and Ticket Levy (based on player participation) so income was severely reduced. On 7th November 2020 just 7 clubs participated in the National Bingo Game, or 2.4% of total clubs.

Moreover, with club re-openings being restricted by social distancing measures (amongst other safety controls) capacity was reduced in all venues. To assist venues in re-opening, the NBGA reduced charges over the first 13 weeks to assist re-opening in financially challenging circumstances, a move which led to more venues being able to open, or open earlier as a result.

National Bingo Game sales in Q1. January +1.0% v 2019, February -5.7% v 2019 and March -29.6% v 2019 prior to enforced closures.

The challenges of 2020 resulted in a number of businesses closing permanently and the number of clubs playing the National Bingo Game and National Live products reduced as a result, from 285 in Q1 2020 to 273 in FY 2021. This reduction in 12 clubs is reflected in 34 clubs ceasing playing due to permanent closure and 22 clubs commencing playing, one being the brand new Apple Bingo in Sydenham. As a result 93% of all licenced clubs are scheduled to play the National Bingo Game, an increase of 8% on last years' report. 42 operators play the National Bingo Game, an increase of 2 on the previous year.

During 2020 a total of 31 Jackpots of £50,000 were paid, 631 mid-level £1,000 Jackpots and 6,681 £100 Jackpots. This was broadly in line with ticket sales and at the end of 2020 retained stake levels stood at £1,440,000 with £645,300 committed to existing prize money expectations leaving a surplus of £383,978.

Playing the NBG on other platforms, such as Bingo Express and Bingo Plus, was suspended in week 12 of FY2020 due to lock-down and play was unable to recommence for the remainder of the year due to restrictions. The NBGA will support these platforms when venues re-open.

National Live re-started on 4th July 2020 following lock-down. The game continued to be played every session up until the new lock-down which commenced on 31st December 2020. As with previous comments on the NBG, National Live participation was affected by permanent club closures, club closures caused by local lock-downs and reduced player numbers caused by reduced attendances. The combination of these factors resulted in weekly prize money paid out on National Live of around £120,000 per week, compared with £200,000 the previous year. In November with regional lock-downs affecting the greatest number of clubs, we saw just 5 clubs being able to play on one afternoon, with 7 clubs playing the evening game. Despite the challenges, calling and back-up rota's were altered to ensure the game's availability on every session and we're grateful for all clubs and operators who assisted.

The Offline Jackpot games were similarly affected, with National Cash board sales reducing by 59% v 2019 and National Bullseye reducing by 40%.

Directors' report (continued)

Business Review (continued)

Regardless of the pandemic, it had already been decided by stakeholders that Caller of the Year would not run in 2020 and the 2019 winner Donna Kunyo of Club 3000 has continued to fulfil the role of champion with a number of media opportunities throughout the pandemic.

Government and Local Authority support to the NBGA was limited to just the furlough scheme. The NBGA was limited by available team to fully furloughed, due to NBGA roles being more service led rather than operationally led. Despite this, all senior personnel who remained working took voluntary salary sacrifice for months where no income was generated and furlough was utilised when it was appropriate to do so. The combined impact of all measures taken was £100k.

Funding for the Bingo Association was changed for 2021, to negate the need in challenging times for clubs to pay a large subscription up front, coupled with removing the Meeron subscription. As such from 31st December 2020 Game Charges increased on all NBG games by £1 per session, with the £1 being transferred to the BA. Additionally, the NBG levy was increased from 1.7p to 2.2p per £1 staked, again being transferred to the BA. These combined transfers will contribute £304,000 in funding towards the BA annual budget for 2021 and means that up-front subscription is limited to £250 per bingo club and to enable Meeron a chance to survive and recover in 2021.

At the end of 2020 the NBGA balance sheet stands at £852k.

I would like to thank the board members of the NBGA and the chairman Chris Mathews for their support in 2020.

Key Performance Indicators

| | 2020 | 2019 | % variance |
|-----------------------------------|------------|--------------|------------|
| National Bingo Game (New) | | | |
| Tickets sold – afternoons | 13,307,153 | 31,387,679 | (58)% |
| Tickets sold – evenings | 31,825,651 | 76,129,480 | (58)% |
| Tickets sold – total | 45,132,804 | 107,517,159 | (58)% |
| Monies staked | £3,338,214 | £ 5,549,518 | (40)% |
| Service charge revenue | £204,544 | £ 499,489 | (59)% |
| Levy income | £258,422 | £ 622,236 | (59)% |
| National Live Game | | | |
| Tickets Sold - Afternoons | 2,369,641 | 6,351,353 | (63)% |
| Tickets Sold - Evenings | 6,450,442 | 16,063,341 | (60)% |
| Tickets Sold - Total | 8,820,083 | 22,414,694 | (61)% |
| Monies Staked | £4,057,238 | £ 10,311,350 | (61)% |
| Service Charge Revenue | £61,776 | £ 173,365 | (64)% |
| National Cash and Bullseye | | | |
| Boards Sold | 1,879,403 | 4,018,953 | (53)% |
| Monies Staked | £235,685 | £ 528,658 | (55)% |
| Service Charge Revenue | £28,556 | £ 61,386 | (54)% |

Directors' report *(continued)*

Directors' interests

The executive directors who held office during the period and post period end were:

M Baron (Chief Executive)

The non-executive directors who held office during the period and post period end were:

B Fraser
N Harding
J Harris
S Harrison
M Jepp
A Morgan
D Robson
M Sime
M Smith
M Watret

Political and charitable contributions

The company made £nil political contributions during the period (2019: £nil). The company made charitable donations of £4,253 (2019: £2,854).

Events after the balance sheet date

Following the outbreak of the Covid-19 global pandemic declared by the World Health Organisation, the Company has adapted its practices and operations in line with government guidance. The Directors have outlined the considerations of this event within Note 2.

Disclosure of information to auditor

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 Company's auditor is 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 Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



M Baron
Director

75 High Street North
Dunstable
Bedfordshire
LU6 1JF

04 June 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NATIONAL BINGO GAME ASSOCIATION LIMITED

Opinion

We have audited the financial statements of The National Bingo Game Association Limited ("the company") for the year ended 27 December 2020, which comprise the profit and loss account, balance sheet and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 27 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2 to the financial statements which indicates that due to the ongoing Covid-19 pandemic, should Covid-19 continue to impact the business through a further national lockdown which would result in the temporary closure of Bingo Halls, the company would be dependent on acquiring additional financing to secure the future of the company. These events and conditions, along with the other matters explained in note 2, constitute a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NATIONAL BINGO GAME ASSOCIATION LIMITED (continued)

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the nature of the revenue recognized and the fact cash is received shortly after revenue is recognized.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Company-wide fraud risk management controls

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted with unusual descriptions and those posted to unusual accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery and employment law recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NATIONAL BINGO GAME ASSOCIATION LIMITED (continued)

designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NATIONAL BINGO GAME ASSOCIATION LIMITED (continued)

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

C. Anderson

Charlotte Anderson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
58 Clarendon Road
Watford
WD17 1DE

04 June 2021

Profit and loss account
for period ended 27 December 2020

| | <i>Note</i> | 2020 £000 | 2019 £000 |
|---|-------------|----------------------------|----------------------------|
| Turnover | <i>3</i> | 569 | 1,366 |
| Administrative expenses | <i>4</i> | (930) | 1,232 |
| | | <hr/> | <hr/> |
| Operating (loss) / profit | | (361) | 134 |
| Income from group undertakings | | - | 52 |
| Interest receivable and similar income | <i>8</i> | 4 | 5 |
| | | <hr/> | <hr/> |
| (Loss) / profit on ordinary activities before taxation | | (357) | 191 |
| Tax on profit on ordinary activities | <i>9</i> | - | - |
| | | <hr/> | <hr/> |
| (Loss) / profit for the period | <i>14</i> | (357) | 191 |
| | | <hr/> | <hr/> |

A statement of other comprehensive income has not been presented as all recognised gains and losses for both periods have been reflected in the profit and loss account.

All income of the company is derived from continuing operations.

The notes on pages 13 to 21 form part of these financial statements.

Balance sheet

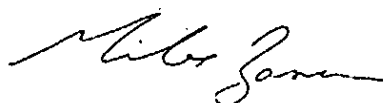
at 27 December 2020

| | Note | 2020 £000 | 2020 £000 | 2019 £000 | 2019 £000 |
|---|------|----------------|--------------|----------------|--------------|
| Fixed assets | | | | | |
| Tangible assets | 10 | | 173 | | 315 |
| Fixed asset investment | 11 | | - | | - |
| | | | <u>173</u> | | <u>315</u> |
| Current assets | | | | | |
| Debtors | 12 | 147 | | 102 | |
| Cash at bank and in hand | | 2,104 | | 2,107 | |
| | | <u>2,251</u> | | <u>2,209</u> | |
| Creditors: amounts falling due within one year | 13 | <u>(1,540)</u> | | <u>(1,283)</u> | |
| Net current assets | | | <u>711</u> | | <u>926</u> |
| Total assets less current liabilities | | | <u>884</u> | | <u>1,241</u> |
| Net assets | | | <u>884</u> | | <u>1,241</u> |
| Capital and reserves | | | | | |
| Profit and loss account | 14 | | 884 | | 1,241 |
| Members' funds | | | <u>884</u> | | <u>1,241</u> |

The notes on pages 13 to 21 form part of these financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime of the Companies Act 2006.

These financial statements were approved by the board of directors on 04 June 2021 and were signed on its behalf by:



M Baron
Director

Notes (forming part of the financial statements)

1 Status

The National Bingo Game Association Limited is a private company limited by guarantee and does not have share capital. Every member of the company undertakes to contribute to the assets if it should be wound up, while they are a member or within one year after they cease to be a member, for payment of the liabilities of the company contracted before they cease to be a member, and of the costs, charges and expenses of winding up, and for the adjustments of the rights of the contributors themselves, such amounts as may be required not exceeding £500 per club.

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The National Bingo Game Association Limited (the "Company") is a private company incorporated, domiciled and registered in England and Wales in the UK. The registered number is 1993814 and the registered address is 75 High Street North, Dunstable, Bedfordshire, LU6 1JF.

These financial statements were prepared in accordance with Section 1A of Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. The Company is exempt by virtue of s399 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Going concern

The Company as at 31 December 2020, had net current assets of £711,000 and net assets of £884,000.

The directors have prepared the financial statements on a going concern basis which they consider to be appropriate for the following reasons.

The directors have prepared profit and cash flow forecasts for the period up to 31 December 2022 to assess whether the Company is able to meet its liabilities as they fall due within that period. The Company finances its working capital needs through its available cash balances.

In preparing those forecasts they have considered the impacts of Covid-19. Specifically, they have considered a severe but plausible downside scenario in which:

- Revenues do not re-commence following the national lockdown until June 2021.
- Revenues are forecast to gradually return through 2021, starting with a 25% return of pre Covid-19 revenues (based on an average of FY 2019 revenues) in June 2021 through to 90% return of pre-Covid revenues from October 2021 onwards.

Mitigating cost control actions that are within managements control have been considered for the forecast period. These forecasts indicate that even in the severe but plausible downside scenario the Company will be able to settle its liabilities as they fall due for that period. However, at the date of approval of these financial statements, the roadmap for the unwinding of the government's pandemic restrictions is uncertain and should the impact of Covid-19 and further national or local lockdowns exceed the severe but plausible downside, additional financing may be required for the company to continue as a going concern.

Based on the severe but plausible downside forecasts, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, the circumstances described above in relation to the uncertainty of the Covid-19 pandemic and the availability of financing represent a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Notes (continued)

2 Accounting policies (continued)

Fixed assets and depreciation

Depreciation is provided to write off the cost less estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

| | | |
|------------------------|---|---------|
| Equipment | - | 3 years |
| Computers and software | - | 3 years |
| Fixtures and fittings | - | 4 years |

Turnover

The company's turnover is derived from fees charged to bingo clubs participating in each National Game, National Cash and National Live, excluding VAT. This turnover includes service charges for the National Game paid fortnightly in advance for evening and Saturday afternoons and on a pay to play basis for all other afternoon games. National Cash is charged on a per board basis. Each club pay a fee to participate in each running of the National Live game. All charges are recognised as income on an accruals basis. Levy income is charged on a per ticket sold basis and is also recognised on an accruals basis.

Leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Employee Benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Game development and marketing expenditure

Expenditure on research and development and marketing is written off against profit in the period in which it is incurred.

Taxation

The charge for taxation is based on the interest received during the period.

Basic financial instruments

Basic financial instruments comprise investments in subsidiaries, trade and other debtors, cash and cash equivalents, and trade and other creditors.

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Investments in subsidiaries

These are separate financial statements of the company. Investments in subsidiaries are carried at cost less impairment.

Notes (continued)

3 Turnover

| | 2020 £000 | 2019 £000 |
|-------------------------------------|--------------|--------------|
| National Game Levy income | 258 | 622 |
| National Game service charge income | 205 | 500 |
| National Cash charge income | 28 | 61 |
| National Live charge income | 62 | 164 |
| Membership subscription | 16 | 19 |
| | <u>569</u> | <u>1,366</u> |

All turnover is generated in the United Kingdom.

4 Administrative expenses

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Game development and marketing expenditure | 24 | 68 |
| Other expenses | 906 | 1,164 |
| | <u>930</u> | <u>1,232</u> |

Notes (continued)

5 Expenses and auditor's remuneration

| | 2020 £000 | 2019 £000 |
|---|--------------|--------------|
| <i>Included in profit/loss are the following:</i> | | |
| Auditor's remuneration: | | |
| Audit of these financial statements | 24 | 21 |
| Other services relating to taxation | 3 | 3 |
| Depreciation of tangible fixed assets – owned | 197 | 171 |
| Operating leases | 41 | 40 |
| | <hr/> | <hr/> |

6 Directors' Remuneration

| | 2020 £000 | 2019 £000 |
|-----------------------|--------------|--------------|
| Directors' emoluments | 172 | 188 |
| Directors' expenses | 16 | 16 |
| | <hr/> | <hr/> |
| | 204 | 204 |
| | <hr/> | <hr/> |

None of the directors are accruing retirement benefits under the company money purchase pension scheme (2019: none).

The emoluments of the highest paid director were £172,000 (2019: £188,000) and company pension contributions of £nil (2019: £nil) were made to a money purchase scheme on his behalf.

No other directors received remuneration for services provided to the company during the period (2019: none).

7 Staff numbers and costs

The average number of persons employed by the company during the period (including directors), analysed by category, was as follows:

| | Number of employees 2020 | Number of employees 2019 |
|--|--------------------------------|--------------------------------|
| Head office – administration, operations and finance | 6 | 6 |
| | <hr/> | <hr/> |

The aggregate payroll costs of these persons were as follows:

| | 2020 £000 | 2019 £000 |
|-------------------------------|--------------|--------------|
| Wages and salaries | 422 | 479 |
| Social security costs | 52 | 60 |
| Other pension costs (note 16) | 18 | 22 |
| | <hr/> | <hr/> |
| | 492 | 561 |
| | <hr/> | <hr/> |

Staff costs above include CJRS income of £6,945.

Notes (continued)

8 Interest receivable and similar income

| | 2020 £000 | 2019 £000 |
|---------------|--------------|--------------|
| Bank interest | 4 | 5 |
| | <u>4</u> | <u>5</u> |

9 Taxation

The company is treated by HMRC as a mutual company for taxation purposes and is only subject to taxation on investment income.

Analysis of charge in the period:

| | 2020 £000 | 2019 £000 |
|--------------------------------|--------------|--------------|
| <i>UK Corporation Tax</i> | | |
| Tax on interest for the period | - | - |
| | <u>-</u> | <u>-</u> |
| Total tax charge | <u>-</u> | <u>-</u> |

Factors affecting the tax charge for the current period

The tax assessed for the period is below (2019: below) the standard rate of corporation tax in the UK of 19% (2019: 19%). The difference is explained below.

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Interest receivable and similar income | 4 | 5 |
| Tax at standard rate of corporation tax in the UK of 19% (2019: 19%) | 1 | 1 |
| Charitable donations | (5) | (5) |
| | <u>-</u> | <u>-</u> |
| Total tax | <u>-</u> | <u>-</u> |

A UK corporation tax rate of 19% (effective from 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. In the 03 March 2021 Budget, it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the company's future tax charge.

Notes (continued)

10 Tangible fixed assets

| | Equipment, computers and software £000 | Fixtures & fittings £000 | Total £000 |
|------------------------|---|--------------------------------|---------------|
| <i>Cost</i> | | | |
| At beginning of period | 2,786 | 20 | 2,806 |
| Additions | 55 | - | 55 |
| | <hr/> | <hr/> | <hr/> |
| At end of period | 2,841 | 20 | 2,861 |
| | <hr/> | <hr/> | <hr/> |
| <i>Depreciation</i> | | | |
| At beginning of period | 2,472 | 19 | 2,491 |
| Charge for period | 196 | 1 | 197 |
| | <hr/> | <hr/> | <hr/> |
| At end of period | 2,668 | 20 | 2,688 |
| | <hr/> | <hr/> | <hr/> |
| <i>Net book value</i> | | | |
| At 27 December 2020 | 173 | - | 173 |
| | <hr/> | <hr/> | <hr/> |
| At 29 December 2019 | 314 | 1 | 315 |
| | <hr/> | <hr/> | <hr/> |

11 Investments

| | Shares in group undertaking £ |
|--------------------------------|----------------------------------|
| <i>Cost and net book value</i> | |
| At beginning and end of period | 2 |
| | <hr/> |

The company owns 100% of the ordinary share capital of Meeron Limited. Meeron is incorporated in England and Wales and its principal activity is the provision and operation of a link bureau service to allow a number of clubs to play a link bingo game simultaneously. The registered number of Meeron Limited is 3532120 and the registered address is 75 High Street North, Dunstable, Bedfordshire, LU6 1JF.

| | Capital and reserves £000 | Loss for the period £000 |
|----------------|------------------------------|-----------------------------|
| Meeron Limited | 798 | (515) |
| | <hr/> | <hr/> |

| Subsidiary undertakings of Meeron Limited | Country of incorporation | % and class of share owned | Principal activity |
|---|-----------------------------|------------------------------------|--------------------|
| ISD Computer Services Limited | United Kingdom | 100% of the ordinary share capital | IT services |

Notes (continued)

11 Investments (continued)

In 2018 Meeron Limited acquired 100% of the ordinary share capital of ISD Computer Services Limited. The principal activity of ISD Computer Services Limited is the provision of IT services for the Bingo Industry. The registered address of ISD Computer Services Limited is 75 High Street North, Dunstable, Bedfordshire, LU6 1JF.

12 Debtors

| | 2020 £000 | 2019 £000 |
|------------------------------------|--------------|--------------|
| Trade debtors | 5 | 4 |
| Amounts owed by group undertakings | 19 | 9 |
| Prepayments and accrued income | 123 | 89 |
| | <u>147</u> | <u>102</u> |

13 Creditors: amounts falling due within one year

| | 2020 £000 | 2019 £000 |
|---|--------------|--------------|
| Undistributed prizes (see note 17) | 1,440 | 1,065 |
| Trade creditors | 12 | 42 |
| Related party creditors (The Bingo Association Limited) | - | 20 |
| Amounts owed to group undertakings | - | 1 |
| Corporation tax | 1 | 1 |
| Other taxation and social security | 18 | 74 |
| Accruals and deferred income | 69 | 80 |
| | <u>1,540</u> | <u>1,283</u> |

14 Reserves

| | Profit and loss account £000 |
|------------------------|---------------------------------------|
| At beginning of period | 1,241 |
| Loss for the period | (357) |
| | <u>884</u> |
| At end of period | <u>884</u> |

Notes (continued)

15 Operating leases

Non-cancellable operating lease rentals are payable as follows:

| | 2020 £000 | 2019 £000 |
|----------------------------|--------------|--------------|
| Less than one year | 49 | 49 |
| Between one and five years | 160 | 47 |
| More than five years | 20 | - |
| | <u>96</u> | <u>96</u> |

During the year £40,838 was recognised as an expense in the profit and loss account in respect of operating leases (2019: £39,804).

16 Pension scheme

The company operates a defined contribution pension scheme. The pension cost for the period represents contributions payable by the company to the fund and amounted to £18,018 for the period (2019: £22,424). Contributions amounting to £nil (2019: £nil) were payable to the scheme at 27 December 2020.

17 Retained stake

| | National Cash £000 | 2014 National Game £000 | 2018 National Game £000 | Total £000 |
|-------------------------------|--------------------------|----------------------------------|----------------------------------|---------------|
| Opening undistributed prizes | 234 | 13 | 826 | 1,073 |
| Money received from clubs | 236 | - | 3,337 | 3,573 |
| Prizes paid out in the period | (235) | - | (2,971) | (3,206) |
| | <u>235</u> | <u>13</u> | <u>1,192</u> | <u>1,440</u> |

Notes (continued)

18 Related party transactions

The company has taken advantage of the exemption from disclosure of transactions with wholly owned group undertakings.

During the period M Baron was Chief Executive of The Bingo Association, the trade association of the licensed bingo industry in Great Britain. Administration and expenses recharges were made to The Bingo Association Limited during the period of £16,604 (2019: £16,976). Subscription fees were paid in the period to The Bingo Association Limited of £2,400 (2019: £2,400). At 27 December 2020, there was a net outstanding balance of £0 owed from The National Bingo Game Association Limited to Bingo Association Limited (2019: £18,713).

The following directors are also directors of companies that enter into transactions with The National Bingo Game Association. All the following related party transactions were conducted on an arm's length basis. During the period The National Bingo Game Association charged these companies service fees per game and levy charges per ticket in respect of participating in the National Game, National Cash and National Live. At the balance sheet date there amounts due of £5,000 (2019: nil) from related parties and no amounts (2019: £2,433) due to the related parties.

| Company | Director | Amount received 2020 £000 | % | Amount received 2019 £000 | % |
|---------------------------|------------|------------------------------------|----|------------------------------------|----|
| Buzz Group Limited | C Matthews | 172 | 39 | 502 | 39 |
| Beacon Entertainments | S Ambrose | 22 | 5 | 53 | 5 |
| Carlton Clubs Limited | M Watret | 13 | 3 | 33 | 3 |
| Castle Leisure Limited | J Harris | 27 | 6 | 73 | 6 |
| Club 2000 Bingo Limited | S Harrison | 3 | 1 | 6 | <1 |
| Fraser Capital Management | B Fraser | 14 | 3 | 9 | <1 |
| Majestic Bingo Limited | M Jepp | 14 | 3 | 15 | 1 |
| Mecca Bingo Limited | M Sime | 164 | 38 | 409 | 32 |
| BJs Luxury Bingo | D Robson | 10 | 2 | 9 | <1 |

The above amounts represent sales figures for the period ended 27 December 2020 (exclusive of VAT).

19 Accounting Estimates and Judgements

The Directors have considered key accounting estimates and judgements and do not consider any of the estimates or judgements to have a significant impact on these financial statements.