

Company Registration No. 03006510 (England and Wales)

**BOB RUDD LEISURE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2021**

# BOB RUDD LEISURE LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr ND Rudd Mrs HJ Rudd Ms C Rudd Mr R Rudd Mrs SJ Rudd
<b>Secretary</b>	Mr R Rudd
<b>Company number</b>	03006510
<b>Registered office</b>	Hawthorn House Brunswick Industrial Estate Brunswick Village Newcastle upon Tyne Tyne and Wear NE13 7BA
<b>Auditor</b>	Robson Laidler Accountants Limited Fernwood House Fernwood Road Jesmond Newcastle upon Tyne NE2 1TJ

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# **BOB RUDD LEISURE LIMITED**

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# **BOB RUDD LEISURE LIMITED**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 31 MAY 2021***

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The directors present the strategic report for the year ended 31 May 2021.

### **Fair review of the business**

COVID restrictions in the 2020/2021 FY, ultimately led to the company only trading in effect for 2 full months of the financial year. Pubs re-opened in July with restrictions which were eased in August however by mid-September local restrictions were introduced in hospitality venues in Newcastle, and by mid-October practically the whole of the North were under restrictions (Tier 2 or 3). This in effect meant by the time the country was in total lockdown in November, our income had reduced by 80% from the beginning of October.

When the country re-opened in December the hospitality sector was only allowed to open if they served a substantial meal. For the majority of venues we supply gaming equipment to this was not feasible and in December our revenues were 2% of normal income.

The UK then entered lockdown until mid-April where pubs were only allowed to serve outside and then in mid-May, they could open inside but with restrictions which again led to reduced income.

Ironically, we have seen growth in 20/21 in overall machine numbers placed on site due the continued increase in investment in digital gaming machines which have a higher earning potential along with premiumisation of some of our amusement equipment offerings which in turn has provided us and our customers with higher income levels. We took the decision to work with strategic manufacturers who were keen to place more product with us and upgrade our gaming offering to ensure in July when pubs could re-open (without restrictions), income levels would not only recover but actually exceed 2019, which they did. To encourage us to make this investment manufacturers offered flexible payment terms.

The Clear Cool division has grown by over 20% YOY due to a new sales and operational structure implemented in 2020 which has led to wider range of products introduced to our portfolio and has increased revenues substantially.

Despite COVID 19 it is pleasing that we only posted a small loss for the financial year despite being closed fully for 8 months and the other 4 trading under severe government restrictions. We mitigated the losses by reducing costs significantly working with major creditors on payment holidays, SORN all fleet vehicles, closed down all depots and furloughed all staff to ensure costs were minimised.

When the pubs were allowed to trade our income bounced back quickly and in August 2020, we were back to 80% of overall income and in September actually were ahead of 2019 on a like for like basis. For the FY 21/22 we are up on LFL sales against 2019 and this is no doubt due to the company's investment strategy coming out of lockdown.

### **Principal risks and uncertainties**

The management of the business is subject to a number of risks and uncertainties which has been impacted by the current economic environment. Risks are reviewed by directors' on an ongoing basis and appropriate processes are put in place to monitor and mitigate them.

Principle risks and uncertainties; the only factor outside of our control is whether the Government would look to impose more lockdowns, this seems to be highly unlikely and in fact a date has been now set to remove all restrictions in total. In the highly unlikely event this would occur we have, in the main, mitigated this risk by agreeing with our trade creditors that holiday payments would be extended again.

The liquidity risk is mitigated as mentioned by managing our major creditors and it has been pleasing to note that we have had the full support of our main finance providers and major creditors to ensure we got through to pubs re-opening but were able to invest in new product to ensure our bounce back was even stronger. We have adhered to all payment plans with HRMC and actually started paying back our CBILS in April 2021.

## **BOB RUDD LEISURE LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MAY 2021***

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#### **Key performance indicators**

Financial Key Performance indicators; internally we have a live cashflow forecast which takes us through to 2024, this is monitored along with a monthly P&L and forecast whilst closely looking at turnover, gross and net margins.

Any discrepancies to forecasts are investigated thoroughly.

Capital expenditure is also closely monitored as this has the main effect on cashflow and profitability. It is important we have the correct balance as the right capital purchases drive overall income levels and profitability.

On behalf of the board

Mr ND Rudd

**Director**

24 February 2022

# **BOB RUDD LEISURE LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 MAY 2021***

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The directors present their annual report and financial statements for the year ended 31 May 2021.

### **Principal activities**

The principal activity of the company continued to be that of gaming and amusement machines.

### **Results and dividends**

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

Ordinary dividends were paid amounting to £272,100. The directors do not recommend payment of a final dividend.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr ND Rudd  
Mrs HJ Rudd  
Ms C Rudd  
Mr R Rudd  
Mrs SJ Rudd

### **Auditor**

In accordance with the company's articles, a resolution proposing that Robson Laidler Accountants Limited be reappointed as auditor of the company will be put at a General Meeting.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr ND Rudd  
**Director**

24 February 2022

## **BOB RUDD LEISURE LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MAY 2021***

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

# **BOB RUDD LEISURE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBER OF BOB RUDD LEISURE LIMITED**

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#### **Opinion**

We have audited the financial statements of Bob Rudd Leisure Limited (the 'company') for the year ended 31 May 2021 which comprise 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 May 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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



## **BOB RUDD LEISURE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)** **TO THE MEMBER OF BOB RUDD LEISURE LIMITED**

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#### **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 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.

#### **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.

The risk of material misstatement due to error or fraud is deemed to be low within the entity as the company operates strong internal controls to mitigate any such risk. These controls are reviewed as part of the audit by performing systems walkthroughs to ensure they are operating effectively. Other substantive testing is also performed on all material balances and therefore any instances of non-compliance should be identified or considered as insignificant. Manual journal entries are scrutinised by data analytics software used as part of the audit.

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.

## **BOB RUDD LEISURE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF BOB RUDD LEISURE LIMITED**

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#### **Use of our report**

This report is made solely to the company's member 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 member those matters we are required to state to the member 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 member for our audit work, for this report, or for the opinions we have formed.

**Michael T Moran BA FCA (Senior Statutory Auditor)**  
**For and on behalf of Robson Laidler Accountants Limited**

24 February 2022

**Statutory Auditor**

Fernwood House  
Fernwood Road  
Jesmond  
Newcastle upon Tyne  
NE2 1TJ

# BOB RUDD LEISURE LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MAY 2021

	Notes	2021 £	2020 £
<b>Turnover</b>	<b>3</b>	2,704,278	7,090,817
Cost of sales		(2,489,292)	(3,588,940)
<b>Gross profit</b>		214,986	3,501,877
Distribution costs		(8,764)	(20,839)
Administrative expenses		(1,572,253)	(3,672,686)
Other operating income		1,333,405	400,799
<b>Operating (loss)/profit</b>	<b>4</b>	(32,626)	209,151
Interest payable and similar expenses	<b>7</b>	(149,268)	(128,067)
<b>(Loss)/profit before taxation</b>		(181,894)	81,084
Tax on (loss)/profit	<b>8</b>	127,645	47,052
<b>(Loss)/profit for the financial year</b>		(54,249)	128,136

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# BOB RUDD LEISURE LIMITED

## BALANCE SHEET

AS AT 31 MAY 2021

		2021	2020
	Notes	£	£
<b>Fixed assets</b>			
Tangible assets	10	4,408,206	4,430,329
Investments	11	5,000	5,000
		<u>4,413,206</u>	<u>4,435,329</u>
<b>Current assets</b>			
Debtors	12	1,787,827	1,223,990
Cash at bank and in hand		112,318	1,181,255
		<u>1,900,145</u>	<u>2,405,245</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(2,785,570)</u>	<u>(3,003,649)</u>
<b>Net current liabilities</b>		<u>(885,425)</u>	<u>(598,404)</u>
<b>Total assets less current liabilities</b>		<u>3,527,781</u>	<u>3,836,925</u>
<b>Creditors: amounts falling due after more than one year</b>	14	<u>(2,498,063)</u>	<u>(2,480,858)</u>
<b>Net assets</b>		<u>1,029,718</u>	<u>1,356,067</u>
<b>Capital and reserves</b>			
Called up share capital	18	200	200
Capital redemption reserve	19	3	3
Profit and loss reserves		1,029,515	1,355,864
<b>Total equity</b>		<u>1,029,718</u>	<u>1,356,067</u>

The financial statements were approved by the board of directors and authorised for issue on 24 February 2022 and are signed on its behalf by:

Mr ND Rudd  
Director

Company Registration No. 03006510

# BOB RUDD LEISURE LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2021

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 June 2019</b>		200	3	1,489,328	1,489,531
<b>Year ended 31 May 2020:</b>					
Profit and total comprehensive income for the year		-	-	128,136	128,136
Dividends	9	-	-	(261,600)	(261,600)
<b>Balance at 31 May 2020</b>		200	3	1,355,864	1,356,067
<b>Year ended 31 May 2021:</b>					
Loss and total comprehensive income for the year		-	-	(54,249)	(54,249)
Dividends	9	-	-	(272,100)	(272,100)
<b>Balance at 31 May 2021</b>		200	3	1,029,515	1,029,718

# **BOB RUDD LEISURE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2021**

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### **1 Accounting policies**

#### **Company information**

Bob Rudd Leisure Limited is a private company limited by shares incorporated in England and Wales. The registered office is Hawthorn House, Brunswick Industrial Estate, Brunswick Village, Newcastle upon Tyne, Tyne and Wear, NE13 7BA.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Bob Rudd Limited. These consolidated financial statements are available from its registered office, Hawthorn House Brunswick Industrial Estate, Brunswick Village, Newcastle Upon Tyne, Tyne & Wear, NE13 7BA.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

# BOB RUDD LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

### 1 Accounting policies

(Continued)

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	20% straight line
Plant and equipment	25% straight line
Computers	25% straight line
Motor vehicles	25% straight line
Machines for hire	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

#### 1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

# BOB RUDD LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

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### 1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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



# BOB RUDD LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

### 1 Accounting policies

(Continued)

#### ***Derecognition of financial assets***

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

#### ***Classification of financial liabilities***

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

#### ***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

# BOB RUDD LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

### 1 Accounting policies

(Continued)

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.12 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.13 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.14 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

# BOB RUDD LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

### 1 Accounting policies

(Continued)

#### 1.15 Government grants

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

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

#### 1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Judgements and key sources of estimation uncertainty

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

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

### 3 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by class of business		
Machine rental	2,704,278	7,090,817
	<u>          </u>	<u>          </u>
	2021	2020
	£	£
Other significant revenue		
Grants received	1,333,405	400,799
	<u>          </u>	<u>          </u>

### 4 Operating (loss)/profit

	2021	2020
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Research and development costs	539	4,504
Government grants	(1,333,405)	(400,799)
Fees payable to the company's auditor for the audit of the company's financial statements	8,750	9,700
Depreciation of owned tangible fixed assets	512,178	1,602,924
Loss/(profit) on disposal of tangible fixed assets	43,735	(29,831)
	<u>          </u>	<u>          </u>

# BOB RUDD LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Direct	84	98
Indirect	17	20
Total	101	118

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	2,253,029	2,735,621
Social security costs	103,876	170,862
Pension costs	43,045	163,469
	2,399,950	3,069,952

### 6 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	24,750	39,391
Company pension contributions to defined contribution schemes	5,910	31,900
	30,660	71,291

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2020 - 3).

### 7 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and loans	1,983	5,697
Interest on finance leases and hire purchase contracts	147,285	122,370
	149,268	128,067

# BOB RUDD LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

### 8 Taxation

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	(36,543)	-
Adjustments in respect of prior periods	(75,655)	(77,853)
Total current tax	(112,198)	(77,853)
<b>Deferred tax</b>		
Origination and reversal of timing differences	(15,447)	32,960
Changes in tax rates	-	(3,470)
Previously unrecognised tax loss, tax credit or timing difference	-	1,311
Total deferred tax	(15,447)	30,801
Total tax credit	(127,645)	(47,052)

The actual credit for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
(Loss)/profit before taxation	(181,894)	81,084
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(34,560)	15,406
Tax effect of expenses that are not deductible in determining taxable profit	4,999	8,671
Adjustments in respect of prior years	-	(76,542)
Effect of change in corporation tax rate	-	(3,470)
Research and development tax credit	(36,543)	-
Under/(over) provided in prior years	(75,655)	-
Deferred tax adjustments in respect of prior years	14,114	-
	-	8,883
Taxation credit for the year	(127,645)	(47,052)

### 9 Dividends

	2021 £	2020 £
Interim paid	272,100	261,600

# BOB RUDD LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

### 10 Tangible fixed assets

	Leasehold improvements	Plant and equipment	Computers	Motor vehicles	Machines for hire	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 June 2020	13,865	3,064	37,095	672,671	9,024,709	9,751,404
Additions	-	-	-	-	580,583	580,583
Disposals	-	-	-	(40,403)	(710,191)	(750,594)
At 31 May 2021	13,865	3,064	37,095	632,268	8,895,101	9,581,393
<b>Depreciation and impairment</b>						
At 1 June 2020	8,319	3,064	37,095	339,500	4,933,097	5,321,075
Depreciation charged in the year	2,064	-	-	118,583	391,531	512,178
Eliminated in respect of disposals	-	-	-	(25,925)	(634,141)	(660,066)
At 31 May 2021	10,383	3,064	37,095	432,158	4,690,487	5,173,187
<b>Carrying amount</b>						
At 31 May 2021	3,482	-	-	200,110	4,204,614	4,408,206
At 31 May 2020	5,546	-	-	333,171	4,091,612	4,430,329

### 11 Fixed asset investments

	2021 £	2020 £
Unlisted investments	5,000	5,000

### 12 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	152,663	68,674
Corporation tax recoverable	112,198	-
Amounts owed by group undertakings	1,316,421	789,279
Other debtors	20,532	115,888
Prepayments and accrued income	170,566	250,149
	1,772,380	1,223,990
Deferred tax asset (note 8)	15,447	-
	1,787,827	1,223,990

# BOB RUDD LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

### 13 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	15	553,070	336,146
Obligations under finance leases	16	654,904	1,203,233
Trade creditors		944,569	891,443
Amounts owed to group undertakings		55,942	-
Taxation and social security		505,442	512,896
Other creditors		39,413	17,293
Accruals and deferred income		32,230	42,638
		<u>2,785,570</u>	<u>3,003,649</u>

### 14 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	15	1,423,958	1,343,716
Obligations under finance leases	16	1,074,105	1,137,142
		<u>2,498,063</u>	<u>2,480,858</u>

### 15 Loans and overdrafts

	2021 £	2020 £
Bank loans	1,820,833	1,400,000
Bank overdrafts	156,195	279,862
	<u>1,977,028</u>	<u>1,679,862</u>
Payable within one year	553,070	336,146
Payable after one year	1,423,958	1,343,716
	<u>1,977,028</u>	<u>1,679,862</u>

The long-term loans are secured by a fixed and floating charge over the assets of the company and its fellow group undertakings and a guarantee of £320,000 granted by the parent company Bob Rudd Limited

## BOB RUDD LEISURE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

#### 16 Finance lease obligations

	2021	2020
	£	£
Future minimum lease payments due under finance leases:		
Within one year	654,904	1,270,929
In two to five years	1,074,105	1,069,446
	<u>1,729,009</u>	<u>2,340,375</u>

Obligations under hire purchase contracts are secured against the assets to which they relate.

#### 17 Retirement benefit schemes

	2021	2020
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	43,045	163,469

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

#### 18 Share capital

	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary A of £1 each	100	100	100	100
Ordinary B of £1 each	100	100	100	100
	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>

#### 19 Capital redemption reserve

The capital redemption reserve relates to shares that the company has bought back which is a non-distributable reserve and represents paid up share capital.

#### 20 Government grants

During the year £1,333,405 (2020: £400,799) was received in relation to the coronavirus job retention scheme.



## BOB RUDD LEISURE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

#### 21 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	321,797	321,797
Between two and five years	220,536	166,904
	<u>542,333</u>	<u>488,701</u>

#### 22 Related party transactions

Dividends totalling £272,100 (2020: £261,600) were paid to the parent company, Bob Rudd Limited.

During the year, the company undertook transactions with Sherlock Amusement Sales ('Sherlock'), a partnership in which the directors' are partners. During the year, the company made sales to Sherlock totalling £497,413 (2020: £233,805) and made purchases from Sherlock totalling £49,572 (2020: £267,018). At the balance sheet date, total amounts outstanding from Sherlock were £568,652 (2020: 109,067).

During the year, the company undertook transactions with Innstay UK Limited ('Innstay'), a company with shareholders and directors' in common. During the year, the company recharged Innstay £108,759 (2020: £147,753) and made purchases from Innstay totalling £54,079 (2020: £519,202). At the balance sheet date, total amounts due to Innstay were £55,942 (2020 due from: 8,755).

During the year, the company undertook transactions with BR Properties Limited ('Properties'), a company with shareholders and directors' in common. During the year, the company paid Properties £107,531 (2020: £83,250) in respect of rental costs.

#### 23 Ultimate controlling party

The company's immediate and ultimate parent company is Bob Rudd Limited, a company registered in England & Wales. The smallest and largest group accounts that the company's results are incorporated into those produced by Bob Rudd Limited, whose registered address is Hawthorn House, Brunswick Industrial Estate, Brunswick Village, Newcastle Upon Tyne, Tyne and Wear, NE13 7BA. Copies of the consolidated financial statements can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

The company's ultimate controlling party is N Rudd due to his controlling interest in the ultimate controlling company Bob Rudd Limited.

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