

ROXY LEISURE HOLDINGS LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2021



ArmstrongWatson[®]
Accountants, Business & Financial Advisers

ROXY LEISURE HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Ben Marcus Jones Matthew William Jones Robert Michael Jones
Registered number	12328086
Registered office	5 Clayton Wood Court West Park Leeds West Yorkshire LS16 6QW
Independent auditors	Armstrong Watson Audit Limited Chartered Accountants & Statutory Auditors Third Floor 10 S Parade Leeds West Yorkshire LS1 5QS

ROXY LEISURE HOLDINGS LIMITED

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ROXY LEISURE HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

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

Business review

The financial performance of the Group for this financial period was still considerably impacted by the ongoing impact of the COVID-19 pandemic and the associated government restrictions which the Group, and the rest of the hospitality sector, had to operate within.

The entire estate was closed from the start of the financial period until three venues were able to trade from their very limited outdoor spaces from 12th April 2021. The rest of the estate was able to welcome back customers for indoor trade from 17th May 2021, although this was subject to a reduction in capacity from rules restricting group sizes and other social distancing requirements.

The Group was finally able to trade without any COVID-19 related restrictions from 19th July 2021 – the conclusion to a period of some 16 months where the Group was either closed or subject to significant constraints on its ability to trade.

Turnover for the period was £12.1m, with EBITDA at £3.6m. Considering the estate was fully closed for the first 18 weeks of the financial period, and restricted for a further 12 weeks, this represents an extremely robust result.

The Group was delighted to open our tenth venue in the Cornerhouse development in Nottingham in June 2021.

Future outlook

The Group continues to pursue its strategy to expand across the UK. This has included a relocation of one of its venues in Bond Street, Leeds to a larger unit in The Light development and opening venues in Bristol (February 2022), Sheffield (August 2022), Edinburgh (November 2022) and Birmingham (February 2023), bringing the number of venues to fourteen.

The Group continues to plan expansion in the coming years and has several more planned for 2023.

Principal risks and uncertainties

COVID-19

Restrictions due to the pandemic are still possible, with the potential for reduced trading at intervals for the next number of years. The Group has demonstrated its ability to trade profitably under various restrictions and the Directors are confident that the Group has the necessary liquidity to withstand any further resurgence of the virus.

Market risk

The Group operates in a highly competitive market and is subject to pricing pressures, from our suppliers and customers, as well as more general consumer trends. The Group continues to invest in its staff and offering and the Directors are confident that the Group can continue to deliver a market leading customer experience.

Financial key performance indicators

The financial performance of the Group is measured using three key performance indicators (KPI) being turnover, EBITDA and EBITDA margin.

	2021	2020
	£	£
Turnover	12,136,314	1,711,938
EBITDA	3,623,113	(1,117,342)
EBITDA Margin (%)	30	(65)

ROXY LEISURE HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Other key performance indicators

Management continues to monitor both financial and non-financial KPI's on an ongoing basis. Non-financial KPI's include customer feedback and sentiment, staff turnover and engagement, and consistency of operational standards.

Directors' statement of compliance with duty to promote the success of the Group

In line with Section 172 of the Companies Act 2006, the Directors' of the Group act in accordance with a set of general duties that they consider to promote the success of the Group. The Directors consider all key stakeholders in the actions and decisions that they make, the consequences of every material decision that the Group makes is evaluated in the immediate term and the likely impact over the longer term. In addition:

- The Directors prioritise the engagement with and development of all of our team members, both in our head office and those delivering our guest experience within our venues
- Collecting feedback and interacting via social media ensures that we understand the needs of our customers and supports our goal of delivering the best customer experience possible
- Working in partnership with our suppliers, many of whom have worked with the business since its formation, is a critical aspect of our strategy, from building contractors delivering our new venues, to those providing cleaning and security services, to all of our food and drinks suppliers.
- The Directors are also cognisant of the local communities within the areas in which we operate, especially with our neighbouring hospitality venues
- The Group is also committed to minimising the environmental impact of our operations and is looking to continuously improve its environmental performance.

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



Matthew William Jones
Director

Date: 13 March 2023

ROXY LEISURE HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £1,410,060 (2020 - loss £2,269,103).

A dividend has not been recommended.

Directors

The directors who served during the year were:

Ben Marcus Jones
Matthew William Jones
Robert Michael Jones

Future developments

See the strategic report for details of future developments.

Matters covered in the Group Strategic Report

Information is not shown in the director's report because it is shown in the strategic report instead under s414C (11). The strategic report includes a business review, principal risks and uncertainties and financial key performance indicators.

ROXY LEISURE HOLDINGS LIMITED

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

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditors

Under section 487(2) of the Companies Act 2006, Armstrong Watson Audit Limited will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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



Matthew William Jones
Director

Date: 13 March 2023

ROXY LEISURE HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROXY LEISURE HOLDINGS LIMITED

Opinion

We have audited the financial statements of Roxy Leisure Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

ROXY LEISURE HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROXY LEISURE HOLDINGS LIMITED (CONTINUED)

Other information

The other information comprises the information included 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group 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 Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

ROXY LEISURE HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROXY LEISURE HOLDINGS LIMITED (CONTINUED)

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 Auditors' 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 Group financial statements.

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management and review of appropriate industry knowledge;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

- performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and tested the operating effectiveness of key controls over purchase cycles on a sample basis.
- reviewed the application of accounting policies with focus on those with heightened estimation uncertainty.

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

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

ROXY LEISURE HOLDINGS LIMITED


INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROXY LEISURE HOLDINGS LIMITED (CONTINUED)

Due 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, as with any audit, there remained a higher risk of nondetection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.


Matthew Osbourne (Senior Statutory Auditor)

for and on behalf of
Armstrong Watson Audit Limited

Chartered Accountants
Statutory Auditors

Leeds
Date: 13 March 2023

ROXY LEISURE HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	12,136,314	1,711,938
Cost of sales		(5,461,155)	(1,567,167)
Gross profit		6,675,159	144,771
Administrative expenses		(5,008,165)	(2,607,356)
Other operating income	5	811,163	774,210
Operating profit/(loss)		2,478,157	(1,688,375)
Interest receivable and similar income	10	(2)	50
Interest payable and similar expenses	11	(729,465)	(580,778)
Profit/(loss) before taxation		1,748,690	(2,269,103)
Tax on profit/(loss)	12	(338,630)	-
Profit/(loss) for the financial year		1,410,060	(2,269,103)
Owners of the parent Company		1,410,060	(2,269,103)

There were no recognised gains and losses for 2021 or 2020 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2021 (2020: £NIL).

The notes on pages 17 to 40 form part of these financial statements.

ROXY LEISURE HOLDINGS LIMITED
REGISTERED NUMBER: 12328086


CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	15	4,854,630	5,431,418
Tangible assets	16	6,164,586	4,067,657
		<u>11,019,216</u>	<u>9,499,075</u>
Current assets			
Stocks	18	393,110	54,063
Debtors: amounts falling due within one year	19	1,375,352	552,730
Cash at bank and in hand	20	7,877,511	4,230,352
		<u>9,645,973</u>	<u>4,837,145</u>
Creditors: amounts falling due within one year	21	(8,877,506)	(5,892,920)
Net current assets/(liabilities)		<u>768,467</u>	<u>(1,055,775)</u>
Total assets less current liabilities		<u>11,787,683</u>	<u>8,443,300</u>
Creditors: amounts falling due after more than one year	22	(10,463,330)	(8,687,692)
Provisions for liabilities			
Deferred taxation	25	(456,896)	(149,711)
		<u>(456,896)</u>	<u>(149,711)</u>
Net assets/(liabilities)		<u>867,457</u>	<u>(394,103)</u>
Capital and reserves			
Called up share capital	26	1	1
Share premium account	27	1,874,999	1,874,999
Profit and loss account	27	(1,007,543)	(2,269,103)
Equity attributable to owners of the parent Company		<u>867,457</u>	<u>(394,103)</u>
		<u>867,457</u>	<u>(394,103)</u>

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



Matthew William Jones
Director



Ben Marcus Jones
Director

Date: 13 March 2023

The notes on pages 17 to 40 form part of these financial statements.

ROXY LEISURE HOLDINGS LIMITED
REGISTERED NUMBER: 12328086

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	17	7,598,792	7,598,789
		<u>7,598,792</u>	<u>7,598,789</u>
Current assets			
Debtors: amounts falling due within one year	19	2,371,437	3,880,128
Cash at bank and in hand	20	1,455,930	-
		<u>3,827,367</u>	<u>3,880,128</u>
Creditors: amounts falling due within one year	21	(3,081,695)	(2,220,006)
Net current assets		<u>745,672</u>	<u>1,660,122</u>
Total assets less current liabilities		<u>8,344,464</u>	<u>9,258,911</u>
Creditors: amounts falling due after more than one year	22	(7,975,000)	(7,975,000)
Net assets		<u><u>369,464</u></u>	<u><u>1,283,911</u></u>
Capital and reserves			
Called up share capital	26	-	1
Share premium account	27	1,874,999	1,874,999
Profit and loss account brought forward		(591,091)	-
Loss for the year		(765,944)	(591,089)
Other changes in the profit and loss account		(148,500)	-
Profit and loss account carried forward		<u>(1,505,535)</u>	<u>(591,089)</u>
		<u><u>369,464</u></u>	<u><u>1,283,911</u></u>

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



Matthew William Jones
Director



Ben Marcus Jones
Director

Date: 13 March 2023

The notes on pages 17 to 40 form part of these financial statements.

ROXY LEISURE HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium account	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£
Comprehensive income for the year					
Loss for the year	-	-	(2,269,103)	(2,269,103)	(2,269,103)
Total comprehensive income for the year					
Shares issued during the year	-	-	(2,269,103)	(2,269,103)	(2,269,103)
	1	1,874,999	-	1,875,000	1,875,000
Total transactions with owners					
	1	1,874,999	-	1,875,000	1,875,000
At 1 January 2021					
	1	1,874,999	(2,269,103)	(394,103)	(394,103)
Comprehensive income for the year					
Profit for the year	-	-	1,410,060	1,410,060	1,410,060
Total comprehensive income for the year					
Dividends: Equity capital	-	-	1,410,060	1,410,060	1,410,060
	-	-	(148,500)	(148,500)	(148,500)
Total transactions with owners					
	-	-	(148,500)	(148,500)	(148,500)
At 31 December 2021					
	1	1,874,999	(1,007,543)	867,457	867,457

The notes on pages 17 to 40 form part of these financial statements.

ROXY LEISURE HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2021	1,874,999	(591,091)	1,283,908
Comprehensive income for the year			
Loss for the year	-	(765,944)	(765,944)
	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year			
	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	(765,944)	(765,944)
Contributions by and distributions to owners			
Dividends: Equity capital	-	(148,500)	(148,500)
	<hr/>	<hr/>	<hr/>
At 31 December 2021	1,874,999	(1,505,535)	369,464
	<hr/>	<hr/>	<hr/>

The notes on pages 17 to 40 form part of these financial statements.

ROXY LEISURE HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
Cash flows from operating activities		
Profit/(loss) for the financial year	1,410,060	(2,269,103)
Adjustments for:		
Amortisation of intangible assets	576,788	336,460
Depreciation of tangible assets	568,168	252,808
Government grants	(760,321)	-
Interest paid	729,465	580,778
Interest received	2	(50)
Taxation charge	338,630	-
(Increase)/decrease in stocks	(339,047)	151,972
(Increase) in debtors	(822,622)	(40,570)
Increase/(decrease) in creditors	2,862,694	(601,595)
Corporation tax (paid)/received	(59,467)	4,049
Net cash generated from operating activities	4,504,350	(1,585,251)
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(7,598,788)
Purchase of tangible fixed assets	(2,699,051)	(322,598)
Sale of tangible fixed assets	33,954	-
Government grants received	760,321	-
Interest received	(2)	50
HP interest paid	(9,393)	(11,291)
Net cash from investing activities	(1,914,171)	(7,932,627)
Cash flows from financing activities		
Issue of ordinary shares	-	1,875,000
New secured loans	2,000,000	-
Purchase of debenture loans	-	7,975,000
Repayment of other loans	(160,404)	-
Repayment of/new finance leases	(62,544)	(31,927)
Shares treated as debt - redeemed	-	1,650,000
Interest paid	(720,072)	(569,487)
Net cash used in financing activities	1,056,980	10,898,586

ROXY LEISURE HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
Net increase in cash and cash equivalents	3,647,159	1,380,708
Cash and cash equivalents at beginning of year	4,230,352	-
Cash and cash equivalents acquired on acquisition of subsidiary	-	2,849,644
Cash and cash equivalents at the end of year	7,877,511	4,230,352
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	7,877,511	4,230,352
	7,877,511	4,230,352

The notes on pages 17 to 40 form part of these financial statements.

ROXY LEISURE HOLDINGS LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	At 1 January 2021 £	Cash flows £	New/repayment of finance leases £	Other non- cash changes £	At 31 December 2021 £
Cash at bank and in hand	4,230,352	3,647,159	-	-	7,877,511
Debt due after 1 year	(8,014,408)	(1,583,330)	-	39,408	(9,558,330)
Debt due within 1 year	(1,817,903)	(256,266)	-	(43,476)	(2,117,645)
Finance leases	(62,544)	-	62,544	-	-
	<u>(5,664,503)</u>	<u>1,807,563</u>	<u>62,544</u>	<u>(4,068)</u>	<u>(3,798,464)</u>

The notes on pages 17 to 40 form part of these financial statements.

ROXY LEISURE HOLDINGS LIMITED

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

1. General information

Roxy Leisure Holdings Limited is a holding company to a trading group. The company is a private company limited by shares, incorporated and domiciled in the United Kingdom. The company is a tax resident in the United Kingdom.

The company operates from their registered office address at 5 Clayton Wood Court, West Park, Leeds, LS16 6QW.

The principal activity of the subsidiaries during the year was the operation of social entertainment bars.

Roxy Leisure Ltd operates from their registered office at 5 Clayton Wood Court, West Park, Leeds, LS16 6QW.

Roxy Ball Room Ltd operates from their premises at 58 Boar Lane, Leeds, LS1 6HW.

Roxy Lanes Limited operates from their premises at 1 Bond Street, Leeds, LS1 5BQ.

Roxy Ball Room (Leeds Two) operates from their premises at 9 and 9a Merrion Street, Leeds, LS1 6PQ.

Roxy Ball Room (Manchester) Ltd operates from their premises at 76-78 Deansgate, Manchester, M3 2FN.

Roxy Ball Room (Manchester Two) Ltd operates from their premises at Unit R3, Withy Grove, Manchester, M4 3AQ.

Roxy Ball Room (Liverpool) Ltd operates from their premises at 26 College Lane, Liverpool, L1 3DS.

Roxy Ball Room (Liverpool Two) Ltd operates from their premises at 8 Rainford Square, Liverpool, L2 6PX.

Roxy Ball Room (Birmingham) Ltd operates from their premises at 58-60 Heath Mill Lane, Deritend, Birmingham, B9 4AR.

Roxy Ball Room (Nottingham) Ltd operates from their premises at 1st Floor, 10 Thurland Street, Nottingham, NG1 3DR.

Roxy Ball Room (Nottingham Two) Ltd operates from their premises at The Cornerhouse, Burton Street, Nottingham, NG1 4DB.

Roxy Ball Room (Bristol) Ltd operates from their premises at 13-29 Union St, Broadmead, Bristol, BS1 2DF.

These financial statements have been prepared in Pound Sterling as this is the currency of the primary economic environment in which the company operates in.

ROXY LEISURE HOLDINGS LIMITED

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

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 Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 22 November 2019.

2.3 Going concern

The directors believe that the group has adequate resources to continue in operational existence for the foreseeable future. The group continues to have the support of the directors, shareholders and creditors and therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

In reaching their conclusion, the directors have considered their forecasts for the year ended 31 December 2022 and 2023.

After consideration of all factors, the directors continue to adopt the going concern basis in preparing the financial statements.

ROXY LEISURE HOLDINGS LIMITED

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

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to profit or loss 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.

2.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

ROXY LEISURE HOLDINGS LIMITED

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

2. Accounting policies (continued)

2.10 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

ROXY LEISURE HOLDINGS LIMITED

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

2. Accounting policies (continued)

2.12 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	10	years
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2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

ROXY LEISURE HOLDINGS LIMITED

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

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property improvements	- 5% Straight line
Plant and machinery	- 20% Straight line
Motor vehicles	- 25% Straight line
Fixtures and fittings	- 10% Straight line
Office equipment	- 20% Straight line
Other fixed assets	- 10% - 20% Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.16 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.*

2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

ROXY LEISURE HOLDINGS LIMITED

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

2. Accounting policies (continued)

2.18 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.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.20 Financial instruments

The Group 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 (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. 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.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

2.21 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

ROXY LEISURE HOLDINGS LIMITED

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

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

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Impairment of investments in subsidiaries

The group assesses impairment of investments in subsidiaries at each reporting date by evaluating conditions specific to the group and to the particular investment that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-used calculations, which incorporate a number of key estimates and assumptions.

Estimation of useful lives of assets

The group determines the estimate useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated, or technically obsolete or nonstrategic assets that have been abandoned or sold will be written off or written down.

Fair value on acquisition of subsidiary

During the year, the Group acquired Roxy Leisure Limited and its subsidiaries. The directors considered whether the acquisition met the definition of an acquisition of a business combination or the acquisition of a group of assets and liabilities. It was concluded that the acquisition met the criteria for the acquisition of a business as outlined by FRS 102. All assets acquired and liabilities assumed in a business combination are measured at acquisition date using fair value

4. Turnover

All turnover arose within the United Kingdom.

5. Other operating income

	2021 £	2020 £
Furlough income	50,842	640,847
Net rents receivable	-	22,500
Government grants receivable	760,321	89,568
Sundry income	-	21,295
	<u>811,163</u>	<u>774,210</u>

ROXY LEISURE HOLDINGS LIMITED

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

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	568,168	252,808
Amortisation of intangible fixed assets	576,788	336,460
Other operating lease rentals	1,353,517	982,721
	<u> </u>	<u> </u>

7. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	30,000	17,900
	<u> </u>	<u> </u>

Fees payable to the Group's auditor and its associates in respect of:

All other services	5,000	-
	<u> </u>	<u> </u>
	5,000	-
	<u> </u>	<u> </u>

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	3,446,527	1,281,946	-	-
Social security costs	181,427	30,874	-	-
Cost of defined contribution scheme	154,672	16,411	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	3,782,626	1,329,231	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

	2021 No.	2020 No.
Staff	255	172
	<u> </u>	<u> </u>

ROXY LEISURE HOLDINGS LIMITED

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

9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	197,778	111,780
Group contributions to defined contribution pension schemes	120,000	-
	<u>317,778</u>	<u>111,780</u>

During the year retirement benefits were accruing to 2 directors (2020 - 2) in respect of defined contribution pension schemes.

10. Interest receivable

	2021 £	2020 £
Other interest receivable	(2)	50
	<u>(2)</u>	<u>50</u>

11. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	-	5,086
Other loan interest payable	720,072	564,401
Finance leases and hire purchase contracts	9,393	11,291
	<u>729,465</u>	<u>580,778</u>

ROXY LEISURE HOLDINGS LIMITED

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

12. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	26,935	-
Adjustments in respect of previous periods	4,510	-
	<u>31,445</u>	<u>-</u>
Total current tax	<u>31,445</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	307,185	-
Total deferred tax	<u>307,185</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>338,630</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit/(loss) on ordinary activities before tax	<u>1,748,690</u>	<u>(2,269,102)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	332,251	(431,129)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	109,590	-
Capital allowances for year in excess of depreciation	199,326	(129,753)
Adjustments to tax charge in respect of prior periods	4,510	-
Changes in provisions leading to an increase (decrease) in the tax charge	2,602	-
Deferred tax adjustment re previous years	(407,100)	-
Unrelieved tax losses carried forward	-	570,180
Group relief	(7,428)	(9,298)
Change in rate of taxation	104,879	-
Total tax charge for the year	<u>338,630</u>	<u>-</u>

ROXY LEISURE HOLDINGS LIMITED

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

12. Taxation (continued)

Factors that may affect future tax charges

An increase in the UK corporate tax from 19% to 25% was announced in the 2021 budget, this is scheduled to take effect from April 2023. The rate for small profits under £50,000 will remain at 19%, and there will be taper relief for businesses with profits between £50,000 and £250,000. Since the proposal to increase the rate to 25% had been substantively enacted at the balance sheet date, the deferred tax has been restated to 25%.

13. Dividends

	2021 £	2020 £
Preference dividend	148,500	-
	<u>148,500</u>	<u>-</u>

14. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent Company for the year was £765,944 (2020 - loss £591,089).

ROXY LEISURE HOLDINGS LIMITED

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

15. Intangible assets

Group and Company

	Goodwill £
Cost	
At 1 January 2021	5,767,878
At 31 December 2021	<u>5,767,878</u>
Amortisation	
At 1 January 2021	336,460
<i>Charge for the year on owned assets</i>	576,788
At 31 December 2021	<u>913,248</u>
Net book value	
At 31 December 2021	<u><u>4,854,630</u></u>

ROXY LEISURE HOLDINGS LIMITED

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

16. Tangible fixed assets

Group

	Leasehold property improvements £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation						
At 1 January 2021	2,476,455	1,085,431	43,248	927,439	668,379	5,200,952
Additions	1,984,432	35,604	3,940	382,622	292,453	2,699,051
Disposals	(3,948)	(32,673)	-	-	-	(36,621)
At 31 December 2021	4,456,939	1,088,362	47,188	1,310,061	960,832	7,863,382
Depreciation						
At 1 January 2021	274,186	601,387	18,903	194,495	44,324	1,133,295
Charge for the year on owned assets	134,374	142,404	9,635	182,423	99,332	568,168
Disposals	(2,167)	(500)	-	-	-	(2,667)
At 31 December 2021	406,393	743,291	28,538	376,918	143,656	1,698,796
Net book value						
At 31 December 2021	4,050,546	345,071	18,650	933,143	817,176	6,164,586
At 31 December 2020	2,202,268	484,044	24,345	732,945	624,055	4,067,657

ROXY LEISURE HOLDINGS LIMITED

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

16. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021	2020
	£	£
Plant and machinery	-	113,994
	<u>-</u>	<u>113,994</u>
	<u>-</u>	<u>113,994</u>

ROXY LEISURE HOLDINGS LIMITED

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

17. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2021	7,598,789
Additions	3
At 31 December 2021	<u>7,598,792</u>
Net book value	
At 31 December 2021	<u><u>7,598,792</u></u>

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Roxy Leisure Ltd	5 Clayton Wood Court, West Park, Leeds, LS16 6QW	Ordinary	100%
Roxy Leisure (2) Limited	5 Clayton Wood Court, West Park, Leeds, LS16 6QW	Ordinary	100%
Roxy Ball Room (Sheffield) Ltd	5 Clayton Wood Court, West Park, Leeds, LS16 6QW	Ordinary	100%
Roxy Ball Room (Edinburgh) Ltd	5 Clayton Wood Court, West Park, Leeds, LS16 6QW	Ordinary	100%

ROXY LEISURE HOLDINGS LIMITED

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

17. Fixed asset investments (continued)

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Roxy Ball Room (Manchester) Ltd	5 Clayton Wood Court, West Park, Leeds, LS16 6QW	Ordinary	100%
Roxy Ball Room (Manchester Two) Ltd	5 Clayton Wood Court, West Park, Leeds, LS16 6QW	Ordinary	100%
Roxy Ball Room (Liverpool) Ltd	5 Clayton Wood Court, West Park, Leeds, LS16 6QW	Ordinary	100%
Roxy Ball Room (Liverpool Two) Ltd	5 Clayton Wood Court, West Park, Leeds, LS16 6QW	Ordinary	100%
Roxy Ball Room Ltd	5 Clayton Wood Court, West Park, Leeds, LS16 6QW	Ordinary	100%
Roxy Ball Room (Leeds Two) Limited	5 Clayton Wood Court, West Park, Leeds, LS16 6QW	Ordinary	100%
Roxy Ball Room (Birmingham) Ltd	5 Clayton Wood Court, West Park, Leeds, LS16 6QW	Ordinary	100%
Roxy Ball Room (Birmingham Two) Ltd	5 Clayton Wood Court, West Park, Leeds, LS16 6QW	Ordinary	100%
Roxy Ball Room (Nottingham) Ltd	5 Clayton Wood Court, West Park, Leeds, LS16 6QW	Ordinary	100%
Roxy Ball Room (Nottingham Two) Ltd	5 Clayton Wood Court, West Park, Leeds, LS16 6QW	Ordinary	100%
Roxy Ball Room (Cardiff) Ltd	5 Clayton Wood Court, West Park, Leeds, LS16 6QW	Ordinary	100%
Roxy Lanes Ltd	5 Clayton Wood Court, West Park, Leeds, LS16 6QW	Ordinary	100%
Roxy Lanes (Bristol) Ltd	5 Clayton Wood Court, West Park, Leeds, LS16 6QW	Ordinary	100%

All direct and indirect subsidiary undertakings as noted above are exempt from audit by virtue of S479a of The Companies Act 2006.

Roxy Ball Room (Cardiff) Limited, Roxy Ball Room (Birmingham Two) Limited, Roxy Leisure (2) Limited, Roxy Ball Room (Sheffield) Ltd and Roxy Ball Room (Edinburgh) Ltd have not been included in the consolidated accounts of Roxy Leisure Holdings Limited as they are not material to the Group.

Roxy Ball Room (Bristol) Ltd, Roxy Leisure (2) Limited, Roxy Ball Room (Sheffield) Ltd and Roxy Ball Room (Edinburgh) Ltd were incorporated during the year.

ROXY LEISURE HOLDINGS LIMITED

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

18. Stocks

	Group 2021 £	Group 2020 £
Finished goods and goods for resale	393,110	54,063
	393,110	54,063

19. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	158,066	18,010	-	-
Amounts owed by group undertakings	-	-	2,299,915	3,820,598
Other debtors	634,276	102,368	71,512	59,530
Prepayments and accrued income	583,010	432,352	10	-
	1,375,352	552,730	2,371,437	3,880,128

20. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	7,877,511	4,230,352	1,455,930	-
	7,877,511	4,230,352	1,455,930	-

ROXY LEISURE HOLDINGS LIMITED

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

21. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loans	416,670	-	-	-
Other loans	39,409	160,405	-	-
Trade creditors	1,384,322	1,180,172	16,110	12,174
Corporation tax	219,919	247,941	-	-
Other taxation and social security	1,251,451	610,688	-	-
Obligations under finance lease and hire purchase contracts	-	62,544	-	-
Other creditors	73,047	107,487	3	-
Accruals and deferred income	3,842,688	1,873,683	1,415,582	557,832
Share capital treated as debt	1,650,000	1,650,000	1,650,000	1,650,000
	<u>8,877,506</u>	<u>5,892,920</u>	<u>3,081,695</u>	<u>2,220,006</u>

The following liabilities were secured:

	Group 2021 £	Group 2020 £
Bank loans	416,670	-
Obligations under finance lease and hire purchase contracts	-	62,544
	<u>416,670</u>	<u>62,544</u>

Details of security provided:

The assets held under finance leases are secured over the assets to which they relate.

See note 22 for details of the security provided on bank loans.

ROXY LEISURE HOLDINGS LIMITED

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

22. Creditors: Amounts falling due after more than one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Loan notes	7,975,000	7,975,000	7,975,000	7,975,000
Bank loans	1,583,330	-	-	-
Other loans	-	39,408	-	-
Other creditors	905,000	673,284	-	-
	<u>10,463,330</u>	<u>8,687,692</u>	<u>7,975,000</u>	<u>7,975,000</u>

The following liabilities were secured:

	Group 2021 £	Group 2020 £
Loan notes	3,375,000	3,375,000
Bank loans	1,583,330	-
	<u>4,958,330</u>	<u>3,375,000</u>

Details of security provided:

The loan notes are secured by way of a first fixed and floating charge over the current and future assets of the company.

On 31 December 2019, the company issued £600,000 fixed rate unsecured loan notes which are repayable on 31 December 2024. The loan notes accrue interest at a rate of 9% per annum over the term of the arrangement.

On 29 May 2020, the company issued £3,375,000 fixed rate secured loan notes which are repayable on 30 May 2025. The loan notes accrue interest at a rate of 4.5% from 31 December 2019 until 29 May 2020 and 9% per annum over the remaining term of the arrangement.

On 29 May 2020, the company issued £2,000,000 fixed rate unsecured loan notes which are repayable on 30 May 2025. The loan notes accrue interest at a rate of 9% per annum over the term of the arrangement.

On 11 December 2020, the company issued £1,800,000 fixed rate unsecured loan notes which are repayable on 12 December 2025. The loan notes accrue interest at a rate of 9% per annum over the term of the arrangement.

On 11 December 2020, the company issued £200,000 fixed rate unsecured convertible loan notes which are repayable on 12 December 2025. The loan notes accrue interest at a rate of 9% per annum over the term of the arrangement.

The bank loans are secured by way of a fixed and floating charge over the current and future assets of the company.

ROXY LEISURE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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23. Loans

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Amounts falling due within one year				
Bank loans	416,670	-	-	-
Other loans	39,409	160,405	-	-
	<u>456,079</u>	<u>160,405</u>	<u>-</u>	<u>-</u>
Amounts falling due 1-2 years				
Bank loans	500,004	-	-	-
Other loans	-	39,408	-	-
	<u>500,004</u>	<u>39,408</u>	<u>-</u>	<u>-</u>
Amounts falling due 2-5 years				
Bank loans	1,083,326	-	-	-
Loan notes	7,975,000	7,975,000	7,975,000	7,975,000
	<u>9,058,326</u>	<u>7,975,000</u>	<u>7,975,000</u>	<u>7,975,000</u>
	<u>10,014,409</u>	<u>8,174,813</u>	<u>7,975,000</u>	<u>7,975,000</u>

24. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2021 £	Group 2020 £
Within one year	-	62,544
	<u>-</u>	<u>62,544</u>

ROXY LEISURE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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25. Deferred taxation

Group

	2021 £	2020 £
At beginning of year	149,711	-
Charged to profit or loss	307,185	-
Arising on business combinations	-	149,711
At end of year	456,896	149,711

	Group 2021 £	Group 2020 £
Accelerated capital allowances	545,523	149,711
Tax losses carried forward	(86,012)	-
Short term timing differences	(2,615)	-
	456,896	149,711

26. Share capital

	2021 £	2020 £
Shares classified as equity		
Allotted, called up and fully paid		
312,500 (2020 - 312,500) Ordinary A shares of £0.000001 each	0.31	0.31
750,000 (2020 - 750,000) Ordinary B shares of £0.000001 each	0.75	0.75
	1.06	1.06
	2021 £	2020 £
Shares classified as debt		
Allotted, called up and fully paid		
1,650,000 (2020 - 1,650,000) Ordinary AB shares of £1.000000 each	1,650,000.00	1,650,000.00

ROXY LEISURE HOLDINGS LIMITED

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26. Share capital (continued)

The Ordinary A and B shares are entitled to one vote and to participate *pari passu* upon all dividend payments and other distributions declared. Each share has the right to participate in a distribution on winding up of the company and the shares are not redeemable or liable to be redeemed.

The Ordinary AB shares are not entitled to vote but are entitled to participate in the fixed dividend. Each share has the right to participate in a distribution on the winding up of the company and the shares are not redeemable or liable to be redeemed.

27. Reserves

Share premium account

The share premium account represents the additional amount shareholders paid for their issued shares that was in excess of the par value of those shares.

28. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £154,672 (2020 - £18,019). Contributions totalling £9,734 (2020 - £5,665) were payable to the fund at the reporting date and are included in creditors.

29. Commitments under operating leases

At 31 December 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £
Not later than 1 year	1,145,459	1,044,813
Later than 1 year and not later than 5 years	5,317,799	4,230,178
Later than 5 years	14,296,459	13,131,142
	<u>20,759,717</u>	<u>18,406,133</u>

ROXY LEISURE HOLDINGS LIMITED

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

30. Related party transactions

The company has taken advantage of the exemption contained in Section 33 of FRS 102 "Related Party Disclosures" from disclosing transactions with entities which are part of the Group, since 100% of the voting rights in the Company are controlled within the Group and the Company is included within the Group accounts which are publicly available

Included within creditors, amounts falling due within one year is an amount due to M W Jones for £1,833 (2020 - £1,833). The amount is interest free and payable on demand.

Included within trade debtors, amounts falling due within one year is an amount of £4,355 (2020 - £3,446) due to *Concept Taverns Limited*, a company of which M W Jones and B M Jones are shareholders. Sales to Concept Taverns Limited during the year amounted to £1,448 (2020 - £1,803).

Included within trade creditors, amounts falling due within one year is an amount of £3,203 (2020 - £12,778) due to Concept Taverns Limited. Purchases from Concept Taverns during the year amounted to £17,125 (2020 - £3,315).

Included within trade creditors, amounts falling due within one year is an amount of £11,658 (2020 - £112,449) due to Jones Bar Group Limited, a company of which M W Jones and B M Jones are shareholders. Purchases from Jones Bar Group Limited during the year amounted to £233,952 (2020 - £246,560).

Included within trade creditors, amounts falling due within one year is an amount of £1,452 (2020 - £Nil) due to Horsforth Investments Limited, a company of which M W Jones and B M Jones are shareholders. Purchases from Horsforth Investments Limited during the year amounted to £1,452 (2020 - £8,947).

During the year, the group made purchases totalling £Nil (2020 - £1,139) from The Malt Brewhouse Limited, a company of which M W Jones and B M Jones are shareholders.

During the year, the group made purchases totalling £571,887 (2020 - £31,849) from Yorkshire Project Design and Build Limited, a company of which M W Jones and B M Jones are shareholders.

31. Controlling party

The group is under the control of M W Jones, who together with his close family members own 70.6% of the issued share capital.