

BOOM EAST LTD

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE PERIOD ENDED 31 DECEMBER 2022

BOOM EAST LTD
REGISTERED NUMBER: 12473684

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

		31 December 2022 £	As restated 31 July 2022 £
	Note		
Fixed assets			
Tangible assets	4	669,643	376,009
Current assets			
Stocks	5	16,798	8,600
Debtors: amounts falling due within one year	6	34,470	121,645
Cash at bank and in hand		325,415	328,039
		<u>376,683</u>	<u>458,284</u>
Creditors: amounts falling due within one year	7	(631,105)	(417,009)
Net current (liabilities)/assets		(254,422)	41,275
Total assets less current liabilities		<u>415,221</u>	<u>417,284</u>
Creditors: amounts falling due after more than one year	8	(387,056)	(264,703)
Provisions for liabilities			
Deferred tax	10	-	(29,474)
Net assets		<u><u>28,165</u></u>	<u><u>123,107</u></u>
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account		28,065	123,007
		<u><u>28,165</u></u>	<u><u>123,107</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 September 2023.

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Graham Bird
Director

The notes on pages 2 to 11 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

1. General information

The Company was incorporated and registered in England and Wales on 20 February 2020 as a private company limited by shares with registered number 12473684. The Company's registered office is Boom Battle Bar Oxford Street Ground Floor And Basement Level, 70-88 Oxford Street, London, W1D 1BS. Its principal activity is that of running the owned and operated venue in Norwich. The venue comprises a bar surrounded by competitive socialising games such as axe throwing and crazy golf. The Company is a wholly owned subsidiary of XP Factory plc.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements have been prepared up to 31 December 2022 in order to bring them in line with the wider group's year end. Previously the Company prepared financial statements up to 31 July 2022 and therefore prior year figures are not entirely comparable.

The financial statements are prepared in sterling which is the functional currency of the Company and rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Going concern

Notwithstanding net current liabilities of £254,422 as at 31 December 2022, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The site in Norwich is performing satisfactorily and the Directors are confident that the company was profitable in the period under review. The balance sheet contains £152,715 liabilities due to companies within the XP Factory Group. The directors have made reasonable inquiries of the parent company and other companies in the parent company's group, and the parent company has confirmed its intention, if required, to provide financial support to enable the Company to settle its liabilities as they fall due to that financial support will continue to be available for the foreseeable future and that neither the parent company nor other associated subsidiaries will seek repayment of the loans so as to impact the Company's ability to operate as a going concern for a period of at least twelve months from the date of signing these financial statements.

Having undertaken a detailed budgeting exercise, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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 Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company 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 Company 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.

2.4 Operating leases: the Company 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.

2.5 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 Statement of Comprehensive Income in the same period as the related expenditure.

2.6 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.

2.7 Borrowing costs

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

**NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company 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 Company in independently administered funds.

2.9 Current and deferred taxation

The tax expense for the period 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 operates and generates 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

2.10 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

**NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)

2.11 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.

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:

Leasehold improvements	-	20%
Fixtures and fittings	-	20%
Computer equipment	-	33%
Boom games	-	50%

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.

2.12 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.

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.

2.13 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 statement of financial position when the company becomes party to the contractual provisions of the instrument.

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

**NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)

2.13 Financial instruments (continued)

Basic financial assets

Basic financial assets, which include receivables 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.

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.

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 payables and loans from fellow group companies, 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 payables 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.

Derecognition of financial liabilities

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

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3. Employees

The average monthly number of employees during the period was 15 (2022 - 18).

During the year, staff were transferred to BBB UK Trading Ltd, a fellow subsidiary Company, who legally employ the staff. Staff costs are now recharged from BBB UK Trading Ltd to Boom East Ltd.

4. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Other fixed assets £	Total £
Cost or valuation					
At 1 August 2022	469,500	22,026	1,134	25,700	518,360
Additions	400,000	1,200	457	-	401,657
	<u>869,500</u>				
At 31 December 2022	<u>869,500</u>	<u>23,226</u>	<u>1,591</u>	<u>25,700</u>	<u>920,017</u>
Depreciation					
At 1 August 2022	130,286	4,532	401	7,132	142,351
Charge for the period on owned assets	102,941	1,365	122	3,595	108,023
	<u>233,227</u>				
At 31 December 2022	<u>233,227</u>	<u>5,897</u>	<u>523</u>	<u>10,727</u>	<u>250,374</u>
Net book value					
At 31 December 2022	<u>636,273</u>	<u>17,329</u>	<u>1,068</u>	<u>14,973</u>	<u>669,643</u>
At 31 July 2022	<u>339,214</u>	<u>17,494</u>	<u>733</u>	<u>18,568</u>	<u>376,009</u>

The net book value of land and buildings may be further analysed as follows:

	31 December 2022 £	31 July 2022 £
Short leasehold	<u>636,273</u>	<u>339,214</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

5. Stocks

	31 December 2022 £	31 July 2022 £
Raw materials and consumables	<u>16,798</u>	<u>8,600</u>

6. Debtors

	31 December 2022 £	31 July 2022 £
Trade debtors	13,224	-
Other debtors	-	98,611
Prepayments and accrued income	21,246	23,034
	<u>34,470</u>	<u>121,645</u>

7. Creditors: Amounts falling due within one year

	31 December 2022 £	As restated 31 July 2022 £
Bank loans	4,904	5,956
Trade creditors	15,994	4,066
Amounts owed to group undertakings	152,715	-
Other taxation and social security	91,776	20,467
Other creditors	696	222,777
Accruals and deferred income	365,020	163,743
	<u>631,105</u>	<u>417,009</u>

The amounts owing to group undertakings are unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash. The directors consider that the carrying amounts approximate to their fair values.

The prior year reclassification relates the correction of accruals and deferred income of £163,743 which was previously recognised in creditors: amounts falling due after one year.

**NOTES TO THE FINANCIAL STATEMENTS
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8. Creditors: Amounts falling due after more than one year

	31 December 2022 £	As restated 31 July 2022 £
Bank loans	39,278	40,702
Accruals and deferred income	347,778	224,001
	<u>387,056</u>	<u>264,703</u>

The prior year reclassification relates the correction of accruals and deferred income of £163,743 which should have been recognised as creditors: amounts falling due within one year.

9. Loans

Analysis of the maturity of loans is given below:

	31 December 2022 £	31 July 2022 £
Amounts falling due within one year		
Bank loans	4,904	5,956
Amounts falling due 2-5 years		
Bank loans	20,725	23,825
Amounts falling due after more than 5 years		
Bank loans	18,553	16,877
	<u>44,182</u>	<u>46,658</u>

Bank loans relate to government guaranteed Bounce Back Loans provided to assist with cashflow problems arising due to the COVID-19 pandemic. Loan capital is repayable in equal installments over 6 years. Interest on loans is charged at 2.5% per annum. The loans are unsecured.

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10. Deferred taxation

	2022 £
At beginning of year	29,474
Charged to profit or loss	(29,474)
At end of year	-

The deferred taxation balance is made up as follows:

	31 December 2022 £	31 July 2022 £
Accelerated capital allowances	-	68,219
Tax losses carried forward	-	(38,745)
	<u>-</u>	<u>29,474</u>

11. Share capital

	31 December 2022 £	31 July 2022 £
Allotted, called up and fully paid		
100 (31 July 2022 - 100) Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

12. Controlling party

The immediate parent company is BBB Franchise Ltd, a company incorporated in England. The ultimate parent company is XP Factory plc, a company incorporated in England.

The Directors consider XP Factory plc, a company incorporated in England, to be the controlling party of the Company. The results of the Company are shown within the Consolidated Financial Statements of XP Factory plc. Copies of the Group accounts are available from the Chief Financial Officer, Graham Bird, Boom Battle Bar Oxford Street Ground Floor And Basement Level, 70-88 Oxford Street, London, W1D 1BS.

**NOTES TO THE FINANCIAL STATEMENTS
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13. Auditors' information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was qualified.

The qualification in the audit report was as follows:

We were not appointed auditor of the company until after 31 July 2022 and did not observe the counting of physical stock as at 31 July 2022. We were unable to satisfy ourselves by alternative means concerning the stock quantities as at 31 July 2022 by using other procedures. Consequently we were unable to determine whether any adjustments to the stock amount of £8,600 at 31 July 2022 was necessary. Additionally, we were unable to obtain sufficient and appropriate audit evidence to support prepayments of £23,024 and deferred income of £76,781 as at 31 July 2022. As a result, we were unable to determine whether there was any consequential effect on the profit and loss for the period ended 31 December 2022.

The audit report was signed on 28 September 2023.

The senior statutory auditor was Gary Miller.

The auditor was HW Fisher LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.