

BUZZ GROUP LIMITED

Annual report and financial statements

Registered number 00794943

Period from 12 January 2020 to 16 January 2021

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Strategic report

The directors present their strategic report on Buzz Group Limited (the “Company”) for the period from 12 January 2020 to 16 January 2021.

The severe impact of Covid-19 across many retail leisure and hospitality businesses is well documented. The results presented in these financial statements are materially impacted by the national and local lockdowns which were implemented throughout the accounting period. Further details can be found in the consolidated statutory accounts for Buzz Venus Group Limited.

Principal activities

The principal activity of the Company is the provision of leisure activities and facilities in certain Buzz Bingo clubs and operation of an online website, Buzzbingo.com, which provides online Bingo, Slots and Casino games. The directors propose to continue the same activities next year.

Results and financial highlights

The results for the Company for the financial period from 12 January 2020 to 16 January 2021 are set out on page 12 and show a loss, after taxation, of £91,821,000 (2020: loss of £15,246,000). Included within the losses are exceptional costs of £14,272,000 (2020: £2,150,000). The exceptional items relate to Covid-19 club closure and CVA costs, the enforced temporary closure of our Bradford City club since June 2019, funding structuring advice and regulatory costs and advice (including a regulatory settlement with the Gambling Commission in respect of historical anti-money laundering and safer gambling controls weaknesses).

The balance sheet as at 16 January 2021 on page 13 shows net assets of £59,279,000 (2020: £151,100,000).

Further information in respect of the performance of the Group is disclosed in the accounts of the parent company, Buzz Venus Group Limited.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the Company’s strategy are subject to a number of risks. Key business risks and uncertainties are managed at a group level and full disclosure of the risks and uncertainties facing the group are set out in the annual report of the parent company of the group, Buzz Venus Group Limited.

KEY PERFORMANCE INDICATORS

Given the straightforward nature of the business, we are of the opinion that analysis using key performance indicators is not necessary for the understanding of the development, performance or the position of the business.

SECTION 172 COMPANIES ACT 2006

The Wates Corporate Governance Principles for Large Private Companies provides a framework for the Group to not only demonstrate how the Board makes decisions for the long term success of the company and its stakeholders (see Principle 6 – Stakeholders, on page 7), but also having regard to how the Board ensures that Group complies with the requirements of Section 172 of the Companies Act 2006. Our reporting against the Wates Principles has been included on pages 5 to 8.

The Board will continue to review and challenge how the Group can improve engagement with its employees and stakeholders.

By order of the Board



Gary Payne

Director

25 March 2022

Directors' report

The directors present their annual report and the audited financial statements for the financial period ending 16 January 2021.

A review of the performance of the Company's business during the period, the principal risks and uncertainties facing the Company and its future prospects are included in the Strategic Report set out on page 3 which should be read in conjunction with this Directors' Report.

Disclosures elsewhere in the Annual Report and financial statements are cross-referenced in this Directors' Report where appropriate.

Directors

The directors who held office during the period were as follows:

Chris Matthews
Gary Payne

No directors had any interest in the shares of the Company during the period.

The Company maintains directors' and officers' liability insurance. All of the above named directors have received an indemnity to the extent permitted by law from the Company. Neither the indemnity nor the insurance provides cover in situations where a director has acted fraudulently or dishonestly.

Financial instruments

Information in respect of the Company's policies on financial risk management objectives including policies to manage credit risk, liquidity risk and foreign currency risk are given in Note 28 to the financial statements of the Company's parent company, Buzz Venus Group Limited.

Employees

It is Company policy that there shall be no discrimination in respect of sex, colour, religion, race, nationality or ethnic origin, and that all employees be given equal opportunities in respect of training, career development and promotion.

Applications for employment from disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure their employment within the Company continues and appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Employee involvement

The Company places considerable value on the involvement of its employees, recognising that it depends on their skills and commitment in order to achieve its objectives. Through the trading subsidiaries, the Company has continued the long standing practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. There are widely established arrangements involving briefings, employee engagement surveys, consultation committees and regular company newsletters.

Dividends

No dividends were approved or paid in the period (2020: £Nil).

Directors' report *(continued)*

Statement of Corporate Governance Arrangements

The Company has applied the Wates Corporate Governance Principles for Large Private Companies.

Principle 1: Purpose and Leadership

The Buzz Group has evolved over the years to become a leading operator in the bingo sector, currently operating 91 retail bingo clubs and an online bingo site, Buzzbingo.com. Central to the approach and offering across both business streams are our communities and customers.

Since the carve out from Gala Coral Ltd in 2015 the Company has been through a transformational journey, but fundamentally we have always retained social responsibility and customer protection at the heart of everything we do and this defines our purpose, goals and values:

- The overarching purpose is “to bring people together, leading the way with innovative, responsible gaming”
- Goals include creating an “empowered customer focused culture”, “protecting our customers” and “innovation and product focus”
- The core values are “empower and enthuse”, “do the right thing, always”, “Fear less, act more”, “Listen, make it count” and “Care, Relentlessly”.

The purpose, goals and values have been reviewed and reinvigorated over the past year, under Board direction, to provide the framework to guide the group’s strategy decisions, processes and culture. The messages have been communicated through the leadership conference/roadshows and regular colleague engagement across a range of media and approaches.

The Board see themselves as actively engaged stewards of a socially responsible community orientated enterprise, promoting a long-term ethos of customer protection, inclusion, diversity, community engagement, wider social engagement and environmental responsibility.

Principle 2: Board composition.

A biography for each Board Director can be found on the Group’s website: www.buzzgroupltd.co.uk/our-board-team
The Group has a separate Chairman and Chief Executive to ensure that the balance of responsibilities, accountabilities and decision making across the Group are effectively maintained. The Chairman plays a pivotal role in creating conditions for the overall Board and individual director effectiveness.

The Board also includes the Chief Financial Officer, and a search is underway to appoint a new Independent Non-Executive. This size and composition are appropriate to the size and focus of our business.

Principle 3: Directors responsibilities

Good governance supports open and fair business, ensures the Company has the right safeguards in place and makes certain that every decision it makes is underpinned by the right considerations. The Board has a clear understanding of its accountability and responsibilities. The Board met formally 12 times in 2020. Whilst Board oversight is always maintained, the duties of the Board are partially executed by key decisions being made by the individuals and relevant committees with the most appropriate knowledge and experience. The Chairman and Non-Executive Director attend and act as chair of the relevant committee so they are able to challenge and influence across a broad range of areas across the Company.

The Board delegates day-to-day management of the Company to the Operational Board which meets 13 times a year (each period) and is chaired by the Chief Executive Officer. Members include the Chief Financial Officer, Chief Retail Officer, Chief Operating Officer, Chief Commercial Officer, Chief Compliance Officer and Chief Information and Transformation Officer.

In addition, certain Governance responsibilities are delegated to other Board committees (Audit, Risk and Compliance Committee and Remuneration Committee) that include, as relevant, the Independent Non-Executive Director who supports effective decision making and independent challenge.

Directors' report (continued)

The Board receives regular and timely information on all key aspects of the business including the financial performance, key KPIs, risk & compliance, strategy, operational matters and market conditions/considerations.

Key financial information is collated from the Company's various accounting systems. The Company's finance function is appropriately qualified to ensure the integrity of this information. Financial information is externally audited by KPMG. Other key information is prepared by the relevant internal function.

Principle 4: Opportunity and Risk

The Board seeks out opportunity whilst mitigating risk.

Opportunity

Long term strategic opportunities are highlighted in the annual Company Strategy process which is presented to the Board. In addition, the Board are involved in the 'Vision Days' which form part of the development of the Company Strategy. Opportunities are drawn from the business, the wider enterprise strategy and the various committees to which responsibility is delegated. Short term opportunities to improve performance, resilience and liquidity are collated as part of the regular reforecast process which is signed off by the Operations Board.

Risks

The Risk and Compliance Committee is a sub-committee of the Main Board and meets quarterly with the Chief Compliance Officer in attendance, and any other relevant business representatives, to discuss inherent and emerging risks. Below this, at Company level there is the Risk and Compliance Steering Group which consists of the Operational Board and functional heads. Both committees continue to refine and enhance the Company's risk management framework. The key operational risks and mitigations are outlined in the Strategic Report (pages 1 to 6) and a list of emerging risks is considered at each of the Risk committee meetings.

The Company's systems and controls are designed to manage, rather than entirely eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not an absolute assurance against a risk materialising.

Responsibilities

The Company has a defined authority matrix and governance framework which delegates authorities and actions as appropriate. During 2020 the terms of reference of each committee has been formally documented.

Any material contract or capital commitment above predetermined levels (as defined by the Board) is approved by the Board to ensure the appropriate level of diligence has been performed in understanding the obligations, risks and terms associated with large commitments. This enables the Group to protect the integrity and long-term sustainability for the businesses, to meet its strategic objectives and to create value for its shareholders, colleagues, customers and suppliers.

Principle 5: Remuneration

The Remuneration Committee's primary objective is to set remuneration at levels that will enhance the Group's resources by securing and retaining quality senior management who can deliver the Company's strategic goals and ambitions in a manner consistent with the vision, purpose and interests of shareholders and stakeholders.

The Remuneration Committee has worked within a clearly defined framework which has been formalised in 2020 into a more detailed Terms of Reference and is responsible for making recommendations to the Board concerning the Company's remuneration strategy, recruitment framework and the long term incentive for senior executives and management. The directors' remuneration is disclosed in Note 7.

The Group reports annually on The Gender Pay Gap, which continues to highlight areas of improvement. It is Company policy that there shall be no discrimination in respect of sex, colour, religion, race, nationality or ethnic origin, and that all employees be given equal opportunities in respect of training, career development and promotion.

Directors' report (continued)

Applications for employment from disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure their employment within the Company continues and appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Principle 6: Stakeholder relationships and engagement

The Board is clear that good governance and effective communication are essential on a day-to-day basis to deliver our purpose, visions and to protect our brand, reputation and relationships with all our stakeholders including shareholders, customers, employees, and the local communities in which we operate and suppliers.

The Board continues to seek to align the Company's strategic direction with its purpose and to the shareholders' long-term aspirations for sustainability, growth, diversification and customer protection.

External Impacts

The Board is committed to social responsibility, community engagement and environmental sustainability. It achieves this in part through its commitment to:

- Finding innovative ways to protect our customers whether in club or online
- A culture of safety, health and well-being of everyone who works for us
- Being an employer of choice where everyone is valued and respected
- Seeking new ways to reduce the environmental impact of our clubs

Stakeholders and Business Relationships

The Board promotes accountability and transparency with all external stakeholders and the fundamental belief in promoting and influencing our industry for the greater good of customers is reflected in our Chief Executive's active engagement across industry bodies.

The Group publicly issues details of the "Gender Pay Reporting", "Supplier Payment Performance Reporting" and the "Tax Strategy". The Company welcomes the focus these reports provide as it is constantly looking to improve its engagement with all stakeholders.

There is a dedicated procurement team who operate a Procurement Governance Policy, Supplier Code of Conduct and Third Party Risk Management Policy, which ensures that all suppliers are treated fairly and consistently.

Strong relationships are held with the key regulators of the activities, including the Gambling Commission, as well as long term associations with a number of charities and organisations that are aligned with our desire to put customers at the heart of all we do.

Within the retail clubs the Company operates the Bingo Fan Index ("BFI"), the internal name for a rolling Net Promoter Score customer engagement survey which compliments more specific project related customer surveys and is operated independently of the clubs or local management. The BFI score is fed back into the club structure to

improve customer service and our offering, with key learnings being shared across the retail business. The online operation has its own Net Promoter Score survey that helps to inform improvements and operational focus.

Employee involvement

The Group places considerable value on the involvement of its employees, recognising that it depends on their skills and commitment in order to achieve its objectives and live the values. Through the trading subsidiaries, the Company has continued the long standing practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Group.

Together with the Operational Board, the Board has overseen a number of initiatives to improve employee relations and communications, including roadshows, the launch of a colleague only App ("Zingo") and more regular club, regional and central briefings. These all help to share knowledge, develop best practice and celebrate achievements and success.

Directors' report *(continued)*

Annual employee engagement surveys are performed to highlight areas of improvement in communication and delivery of the Company's purpose and visions, these form the basis of future focus and development. In addition to the public forums, internally there are both well publicised anonymous whistleblowing channels and a more direct feedback loop directly to the Chief Executive to encourage empowerment, feedback and transparency across the business.

The Company has initiated the Caring Community project which was established to provide over and above support for colleagues during these tough times. This included projects focused on physical health, mental health, and showcasing individual cases where colleagues were open about their struggles and the support received from other colleagues and the Company. In addition, the Group has trained 40 plus volunteers from across the business to become Mental Health Advocates, to provide first line immediate support where needed and secondly to continue to breakdown the stigma of Mental Health across the business.

During 2020 and 2021, supported by funding provided by its previous shareholder, Caledonia Investments plc, the Group paid out to colleagues over £260,000 in hardship funds and funds to support funeral costs for those colleagues who had suffered family bereavements due to Covid-19.

Post balance sheet events

On 15 March 2021 Caledonia Venus Holdings Limited sold its investment in the Company to Buzz Sarl, a company that is ultimately owned by funds managed by Intermediate Capital Group Plc. The Company's ultimate parent and ultimate controlling party therefore changed on this date.

As part of this transaction, ICG provided a further £10.0m of new funding and Barclays additionally loaned a further £10.0m. Further, on 10 February 2022, ICG committed to providing an additional £10.25m of new funding.

As a result of the landlord redeveloping the Group's previous Club in Castleford, the Group acquired the operations of a competitor's site in Castleford on 21 June 2021, and subsequently closed its previous site. The previous Castleford operations and employees were successfully merged with the new site.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors is aware of that information.

Auditor

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

By order of the board



Gary Payne
Director
Unit 1, Castle Marina Road
Nottingham
NG7 1TN

25 March 2022

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Buzz Group Limited

Opinion

We have audited the financial statements of Buzz Group Limited ("the company") for the year ended 16 January 2021 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 16 January 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Company, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Company's available financial resources over this period were:

- Changes in customer habits;
- Legislative and regulatory changes;

We considered whether these risks could plausibly affect the liquidity in the going concern period by comparing severe, but plausible, downside scenarios that could arise from these risks individually and collectively against the level of available financial resources indicated by the Company's financial forecasts.

We considered whether the going concern disclosure in note 1.2 to the financial statements gives a full and accurate description of the Directors' assessment of going concern.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period; and
- we found the going concern disclosure in note 1.2 to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.



Independent auditor's report to the members of Buzz Group Limited (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

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

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

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that Company management may be in a position to make inappropriate accounting entries; and
- the risk that Online revenue is overstated through incorrectly calculating customer liabilities.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test for all group entities based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual or seldom used accounts, unexpected journals posted to customer liability accounts, and all material post-closing entries.
- Performing a reconciliation of revenue to cash balances and validating a sample of reconciling items.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

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

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

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

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

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: responsible gambling and anti-money laundering laws, data protection laws, anti-bribery laws, and employment laws, recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to



Independent auditor's report to the members of Buzz Group Limited (continued)

identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

Strategic report and directors' report

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

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

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 9, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



Independent auditor's report to the members of Buzz Group Limited (continued)

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'M Flanagan'.

Mark Flanagan (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St Nicholas House
Park Row
Nottingham
NG1 6FQ
25 March 2022

Income Statement

For the period ended 16 January 2021

	Note	12 January 2020 to 16 January 2021 £000	13 January 2019 to 11 January 2020 £000
Revenue	2	120,275	272,518
Cost of sales		(41,593)	(79,080)
Gross profit		78,682	193,438
Administrative expenses pre-exceptional items	3	(120,979)	(135,943)
Other Operating Income	4	21,535	-
Exceptional Items, Depreciation, Amortisation and Impairment		(50,415)	(52,698)
Administrative expenses		(149,859)	(188,641)
Operating (loss) / profit before exceptional items and profit on disposal of tangible fixed assets		(20,762)	57,495
Exceptional Items	5	(14,272)	(2,150)
Depreciation, Amortisation and Impairment	10,11,12	(36,143)	(51,417)
Profit on disposal of tangible fixed assets	5	2,628	869
Operating (Loss) / Profit		(68,549)	4,797
Net Financial (expense) / Income	8	(17,699)	(21,236)
(Loss)/Profit before tax		(86,248)	(16,439)
Taxation	9	(5,573)	1,193
(Loss)/Profit for the period		(91,821)	(15,246)

In both the current period and preceding period, the Company made no material acquisitions and has no discontinued operations. The accompanying notes form part of the financial statements.

Balance Sheet

at 16 January 2021		16 January 2021	11 January 2020
	Note	£000	£000
Non-current assets			
Goodwill	12	9,937	9,937
Intangible assets	12	1,963	2,201
Property, plant and equipment	10	77,358	100,677
Right of use assets	11	122,343	238,270
Investments	13	32,207	32,207
Other receivables	16	-	600
Deferred tax asset	14	-	5,548
		243,808	389,440
Current assets			
Inventories	15	333	981
Finance lease assets		6,147	13,095
Trade and other receivables	16	91,434	87,739
Current tax asset		-	140
Cash and cash equivalents	17	19,999	32,127
		117,913	134,082
Total assets		361,721	523,522
Current liabilities			
Other interest-bearing loans and borrowings	18	(277)	(249)
Trade and other payables	19	(150,388)	(100,392)
Lease liability	20	(307)	(9,947)
Provisions	22	(872)	(800)
		(151,844)	(111,388)
Non-current liabilities			
Other interest-bearing loans and borrowings	18	-	(265)
Trade and other payables	19	-	-
Lease liability	20	(148,549)	(259,759)
Provisions	22	(2,049)	(1,010)
		(150,598)	(261,034)
Total liabilities		(302,442)	(372,422)
Net assets		59,279	151,100
Capital and Reserves			
Share capital	23	-	-
Share premium	23	30,000	30,000
Retained earnings	24	29,279	121,100
Total equity		59,279	151,100

These financial statements were approved by the board of directors on 25 March 2022 were signed on its behalf by:



Gary Payne

Director

Company registered number: 00794943

Statement of Changes in Equity
For the period ended 16 January 2021

	Share Capital £000	Share Premium £000	Retained earnings £000	Total Equity £000
Balance at 12 January 2019	-	30,000	135,725	165,725
Impact of change in accounting policy to IFRS 16		-	621	621
Income Statement for the period	-	-	(15,246)	(15,246)
Balance at 11 January 2020	-	30,000	121,100	151,100
Income Statement for the period	-	-	(91,821)	(91,821)
Balance at 16 January 2021	-	30,000	29,279	59,279

Notes

(forming part of the financial statements)

1 Accounting policies

Buzz Group Limited is a company incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Buzz Venus Group Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Buzz Venus Group Limited are prepared in accordance with the Companies Act 2006 and are available to the public and may be obtained from the address given in Note 27.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the Company.

As the consolidated financial statements of Buzz Venus Group Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 *Share Based Payments* in respect of group settled share based payments
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 29.

Notes (continued)

1 Accounting policies (continued)

1.1. Measurement convention

The financial statements are prepared on the historical cost basis.

1.2. Going concern

The financial statements have been prepared on a going concern basis. The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. The directors have given careful consideration in order to include severe but plausible downside sensitivities to the base forecast cash flows for the company, taking into account the ongoing impact of Covid-19. Having performed this cash flow forecast and sensitivity analysis the directors remain confident that any adverse impact on the cash flows of the company can be managed but acknowledges that these forecasts are reliant on intercompany receivables being recoverable and that this is reliant on the overall strength of the Group.

The Group and Company financial statements of the Company's ultimate parent company, Buzz Venus Group Limited, have been prepared on the going concern basis. The financial statements of Buzz Venus Group Limited explain the circumstances informing this assessment and explain the refinancing that has been completed since 16 January 2021. The detailed cash flow forecasts for the Group to March 2023 indicate that, taking account of reasonable possible downsides, the Group will have sufficient funds from its cash, bank borrowings and working capital facilities to meet liabilities as they fall due.

Based on these indications the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. In making this judgement the directors consider that the key assumption in the Group's base case forecasts is the slow and staged recovery of the Group's Retail business; as at the date of approval of these financial statements the Retail business is performing ahead of these forecasts. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Notes (continued)

1 Accounting policies (continued)

1.3 Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

(a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost or fair value through profit and loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets.

Investments in subsidiaries are carried at cost less impairment. Investments in associates are accounted for using the equity method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

(b) Subsequent measurement and gains and losses

Financial assets at FVTPL - these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Notes (continued)

1 Accounting policies (continued)

Financial liabilities and equity

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Impairment

The company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12-month ECL. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

Notes (continued)

1 Accounting policies (continued)

14 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

- | | |
|---|-------------------|
| • Freehold buildings | 50 years |
| • Leasehold land and buildings | 10-50 years |
| • Fixtures, fittings, tools and equipment | 3-10 years |
| • Right of use assets | Life of the lease |

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Right of Use (ROU) assets are depreciated over the lease term (as defined in IFRS 16) being the period to the expiry date of the lease, unless it is expected that a break clause will be exercised when the lease term is the period to the date of the break.

The carrying values of property, plant and equipment are reviewed for impairment where an indicator of impairment exists as to whether there are events or changes in circumstances indicating that the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater 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 an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Impairment losses are recognised in the consolidated income statement.

An item of property, plant and equipment is derecognised upon disposal, with any gain or loss arising (calculated as the difference between the net disposal proceeds and the carrying amount of the item) included in the income statement in the year of disposal.

Leases, other than those with a lease period of less than one year, or where the original cost of the asset acquired would be a negligible amount, are capitalised at the inception at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

ROU assets are included (see Note 10) at cost and depreciated over their estimated useful lives, which equates to the lives of the leases, after taking into account anticipated residual values. Operating lease rental income is recognised on a straight-line basis over the life of the lease.

Leases which are not capitalised are classified as operating leases.

Operating lease payments, other than contingent rentals, are recognised as an expense in the income statement on a straight-line basis over the lease term or as incurred in respect of variable lease payments.

A number of clubs operated by the Company have leases in the name of fellow group companies, Buzz Entertainment Limited and Buzz Leisure Limited. All costs associated with these leases in the fellow group company have been recharged in full to Buzz Group Limited. As there is no formal sublease in place, the costs have been recharged in full rather than being accounted for as a finance lease between group companies.

Notes (continued)

1 Accounting policies (continued)

14 Property, plant and equipment (continued)

ROU assets which are sub-leased to customers are classified as finance leases if the lease agreements transfer substantially all the risks and rewards of usage to the lessee. This includes a number of subleases to a fellow group company, Buzz County Clubs Limited. All other sub-leases are classified as operating leases. When assets are subject to finance leases, the present value of the sub-lease is recognised as a receivable, net of allowances for expected credit losses and the related ROU asset is de-recognised. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance lease income. Finance lease income is recognised in interest income over the term of the lease using the net investment method (before tax) so as to give a constant rate of return on the net investment in the leases.

1.5 Intangible assets and goodwill

Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units. It is not amortised but is tested annually for impairment. This is not in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 which requires that all goodwill be amortised. The directors consider that this would fail to give a true and fair view of the profit for the year and that the economic measure of performance in any period is properly made by reference only to any impairment that may have arisen. It is not practicable to quantify the effect on the financial statements of this departure.

Other intangible assets

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

The cost of an intangible asset acquired in a business combination is its fair value at the acquisition date.

Amortisation

Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- | | |
|--------------------------|---|
| • Licenses | Indefinite life |
| • Software | 4 years |
| • Trademark agreement | 1 year straight line |
| • Customer relationships | 8 years on a 50% reducing balance basis |

1.6 Inventories

Stocks are stated at the lower of cost and net realisable value.

1.7 Impairment excluding stocks, investment properties and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Notes (continued)

1 Accounting policies (continued)

1.7 Impairment excluding stocks, investment properties and deferred tax assets (continued)

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than investment property, stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit (CGU) is the greater of its value in use and its fair value less costs to sell. 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.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss in respect of goodwill is reversed if and only if the reasons for the impairment have ceased to apply.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes (continued)

1 Accounting policies (continued)

1.8 Employee benefits

Defined contribution plans

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

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The Company determines the net interest on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset).

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the Company's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Company recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

1.9 Revenue

Revenue is attributable to the gains and losses of all gaming activities. Revenue from the operation of bingo clubs is recorded as the customer stake less cash prizes. Revenues from the sale of food and beverages are recorded net of VAT. Revenue from buzzbingo.com is measured at the fair value of the consideration received or receivable from customers less free bets, promotions, bonuses and other fair value adjustments. Revenue, both by source and destination, all relates to the United Kingdom.

1.10 Expenses

Operating lease payments

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Interest receivable and interest payable

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established.

Notes (continued)

1.11 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.12 Exceptional Items

The Company separately discloses those items which are required to give a full understanding of the Company's financial performance and aid comparability of the Company's result between periods. Exceptional items are typically those items which, by their size or nature in relation to the Company, are separately disclosed.

1.13 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Notes (continued)

1 Accounting policies (continued)

1.14 Changes in accounting policy

The Company has adopted IFRS15 Revenue from Contracts with Customers issued in May 2014 with a date of initial application of 14 January 2018. As a result, the Group has changed its accounting policy for revenue recognition. No changes to the timing and measurement of revenue across the Group's revenue streams have been identified on the transition to IFRS15. The Company has applied IFRS15 using the modified retrospective approach (i.e. by recognising the cumulative effect of initially applying IFRS15 as an adjustment to the opening balance of retained earnings as at 14 January 2018). Therefore, the comparative information has not been restated in accordance with the transition exemptions available under IFRS15.

The Company has adopted IFRS 9 with a date of initial application of 14 January 2018. All financial assets classified as 'Loans and Receivables' have now been classified under a new name of 'Amortised Cost'. There has been no change in the allowance for impairment on financial assets on transition to IFRS 9. There has been no change in the classification and measurement of financial assets or liabilities on the transition to IFRS 9.

The Company has adopted IFRS16 Leases with a date of initial application of 13 January 2019. As a result the Company has changed its accounting policy for lease contracts as detailed below. The Company applied IFRS16 using the modified retrospective approach. There has been no restatement of comparative balances. For leases previously classified as operating leases, a right of use (ROU) asset and associated lease liability has been recognised. As such, the Company no longer records a lease cost associated with these assets in its Income Statement, but instead records depreciation and interest charges.

In applying the modified retrospective approach, the Company has elected to use the following practical expedients proposed by the standard:

- Reliance on the previous identification of a lease (as provided by IAS 17) for all contracts that existed on the date of initial application;
- the ROU assets for all leases were recognised at an amount equal to the lease liability plus prepaid lease payments immediately before the date of initial application;
- the application of a single discount rate to a portfolio of leases with reasonably similar characteristics. The key differential considered in determining the discount rate is the length of the lease;
- the use of hindsight when determining the lease term, if the contract contains an option to extend or terminate the lease; and
- on initial application, initial direct costs are excluded from the measurement of the right of use asset.

The Company has applied IFRS 16 only to those contracts that were previously identified as a lease under IAS 17 Leases, any contracts not previously identified as leases have not been reassessed for the purposes of adopting IFRS 16. Accordingly, the definition of a lease under IFRS 16 has only been applied to contracts entered into on or after 13 January 2019. Upon transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the rate implicit in the lease as at 13 January 2019, or at the Company's incremental borrowing rate if this was not ascertainable. The right of use assets for all leases were recognised at an amount equal to the lease liability plus prepaid lease payments immediately before the date of initial application.

The ROU assets were subject to an impairment review at 16 January 2021 to ascertain whether the attributable cash flows supported the additional ROU assets recognised. This resulted in an impairment of £Nil (2020: £9,062,000) being recognised during the year.

Notes (continued)

2 Revenue

Income from the retail and online activities is set out below.

	12 January 2020 to 16 January 2021	13 January 2019 to 11 January 2020
<i>Included in Revenue in the period:</i>	£000	£000
Retail	80,208	247,533
Online	40,067	24,985
Total	120,275	272,518

3 Auditor's remuneration

	12 January 2020 to 16 January 2021	13 January 2019 to 11 January 2020
<i>Included in profit/loss are the following:</i>	£000	£000
Audit of these financial statements	(90)	(71)

4 Other Operating Income

Other operating income includes £427,000 of grant claims from local government related to Covid closures, £20,568,000 of Job Retention Scheme claims, and £540,000 of income from recharges to fellow group companies.

The Company also benefited from £6,939,000 of business rates relief which is netted off against business rates costs within administrative expenses.

5 Exceptional Items

	12 January 2020 to 16 January 2021	13 January 2019 to 11 January 2020
	£000	£000
Reorganisation and restructuring costs	-	(1,187)
Enforced temporary closure of Bradford City	(649)	(916)
Covid-19 club closure and CVA costs	(12,237)	-
Regulatory costs and advice	(803)	(24)
Rebranding and online launch marketing costs	-	(23)
Funding Structuring and Advice	(583)	-
Total Exceptional Items	(14,272)	(2,150)

Covid-19 club closure and CVA costs mainly relate to incremental costs of the enforced closure of the bingo clubs and support centres as a result of Covid-19 (additional equipment costs to enable working at home, stock wastage, safety equipment on re-opening the clubs to be Covid secure and marketing costs relating to reopening the clubs post lockdown) and costs relating to the Creditors Voluntary Arrangement (CVA) that was subsequently carried out (mainly comprising Legal & Professional fees, redundancy costs and contractor costs).

Enforced temporary closure costs of Bradford City relate to the Bradford City club, where due to a collapse of the roof, the club was closed due to the unsafe environment. The costs relating to Bradford City club are incremental costs as a result of the closure and ongoing fixed costs.

Notes (continued)

5 Exceptional Items (continued)

Funding structuring and advice relates to the refinancing of the Group following the impact of the temporary enforced closure of the retail bingo clubs as a result of Covid-19. Reorganisation and restructuring costs included the costs of making changes to the senior management team, and consultancy advice associated with the restructuring process in the prior period.

Regulatory costs and advice relates to the costs associated with the introduction of GDPR, the one off costs associated with the online licence requirements, costs associated with a Gambling Commission review and regulatory settlement, and costs associated with other regulatory changes, i.e. IFRS16 accounting changes and preparation for the changes to the VAT return processes, Making Tax Digital.

Rebranding and online launch marketing costs related to the rebranding of most of the retail estate to Buzz Bingo during the prior period, and the launch of the new online website. The rebranding of the retail estate is considered to be a one-off cost that is not recurring and related to building the new brand. The online launch costs were specific to the launch process.

The profit / (loss) on disposal of fixed assets in the period includes amounts related to the closure of clubs due to Covid-19 and the subsequent CVA.

	12 January 2020 to 16 January 2021	13 January 2019 to 11 January 2020
	£000	£000
CVA closed clubs net book value of disposal	(7,996)	-
CVA club closure costs including strip out and redundancies	(719)	-
Right of Use Asset and Lease liability profit on disposal under IFRS16	11,166	(132)
Other loss on disposal costs	177	1,001
Total exceptional items	2,628	869

6 Staff numbers and costs

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

	12 January 2020 to 16 January 2021	13 January 2019 to 11 January 2020
	No. of employees	No. of employees
Bingo clubs	2,773	3,053
Support staff	301	301
Total staff numbers	3,074	3,354

The aggregate payroll costs of these persons were as follows:

	12 January 2020 to 16 January 2021	13 January 2019 to 11 January 2020
	£000	£000
Wages and salaries	(47,338)	(54,922)
Social security costs	(2,886)	(3,868)
Contributions to defined contribution plans	(1,137)	(1,682)
Total staff costs	(51,361)	(60,472)

Notes (continued)

7 Director's Remuneration

The remuneration of the director's charged to this Company is as follows:

	12 January 2020 to 16 January 2021 £000	13 January 2019 to 11 January 2020 £000
Key management remuneration including social security costs	(1,317)	(652)
Company contributions to money purchase pension schemes	(11)	(12)
Compensation for loss of office	-	-
Amounts paid to third parties in respect of director's services	(172)	(382)
Total directors remuneration	(1,500)	(1,046)

The aggregate of emoluments of the highest paid director was £886,000 (2020: £463,000). No retirement benefits are accruing to any directors.

8 Finance income and expense

	12 January 2020 to 16 January 2021 £000	13 January 2019 to 11 January 2020 £000
Recognised in profit or loss		
<i>Finance expense</i>		
Interest payable to group companies	(2,459)	(962)
Interest expense on lease liabilities	(177)	(20,557)
Bank Interest	(15,178)	(20)
Foreign Exchange Loss	(15)	-
Other finance costs	-	-
Total finance expense	(17,829)	(21,539)
<i>Finance income</i>		
Bank Interest	41	158
Interest receivable on lease	89	110
Foreign exchange gain	-	35
Total finance income	130	303
Total net finance (expense) / income	(17,699)	(21,236)

Amounts owed by group undertakings are unsecured, have no fixed date of repayment and the directors have confirmed that they do not intend to request payment within the next year. Amounts due to group companies on financing relating to shareholder investment attract interest at 5.75% plus LIBOR and are repayable on demand. All other amounts owed between group companies do not bear interest.

Notes (continued)

9 Taxation

	12 January 2020 to 16 January 2021 £000	13 January 2019 to 11 January 2020 £000
Recognised in the income statement		
Current tax expense		
Current tax on (losses) / profits in the period	-	-
Adjustment in respect of prior years	-	(140)
Total current tax credit	-	(140)
Deferred tax expense		
Origination and reversal of temporary differences	-	(1,423)
Deferred Tax Asset Not Recognised	5,615	-
Adjustment in respect of prior years	(68)	370
Recharge from other group companies	26	-
Deferred tax expense / (credit)	5,573	(1,053)
Total tax expense / (credit)	5,573	(1,193)

	12 January 2020 to 16 January 2021 £000	13 January 2019 to 11 January 2020 £000
Reconciliation of effective tax rate		
(Loss) / Profit for the period	(91,821)	(15,246)
Total tax credit	5,573	(1,193)
(Loss) / Profit excluding taxation	(86,248)	(16,439)
Tax using the UK corporation tax rate of 19% (2019: 19%)	(16,387)	(3,123)
Non-deductible expenses	527	605
Group relief surrendered for nil payment	1,233	1,282
Utilisation of brought forward losses not recognised	254	(356)
Adjustment in respect of prior years' corporation tax	-	(140)
Tax rate difference on deferred tax balance	(652)	167
Recharge from fellow group company	26	2
Adjustment in respect of prior years' deferred tax	(69)	370
Brought forward deferred tax asset derecognised	5,615	-
Current year deferred tax asset not recognised	15,026	-
Total tax credit	5,573	(1,193)

The Company makes and receives no payment for group relief in the year (2020: nil). A reduction in the corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015 and an additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. In the budget of March 2020 the UK Government announced that the anticipated decrease in the UK corporation tax rate to 17% from 1 April 2020 will no longer take place, and therefore the 19% rate will remain in force for future periods. As this change was not substantively enacted until 17th March 2020 the company's deferred tax balances was stated at 17% for the prior period. On 3 March 2021 the UK Government announced that the rate would increase to 25% from 1 April 2023, which was substantively enacted on 24 May 2021; as the increased rate was not substantively enacted at the balance sheet date, the rate of 19% is applicable for the deferred tax calculations.

The deferred tax balance, which has not been recognised, would otherwise have been £6,279,000 higher. The deferred tax balance of £19,884,000 has not been recognised at the balance sheet date, which mainly relates to losses arising from the recent financial and economic climate faced by the group. Additional losses are expected to arise in the financial period to 15 January 2022, such that only a small proportion of the losses at the balance sheet date are forecast to be utilised in the short term. It is considered to be prudent not to recognise the net deferred tax asset at this time.

Notes (continued)

10 Property, plant and equipment

	Freehold land and buildings £000	Leasehold land and buildings £000	Fixtures and fittings £000	Total £000
Cost at 12 January 2020	9,123	165,999	75,065	250,187
Additions	295	2,440	4,684	7,419
Disposals	(57)	(26,784)	(2,059)	(28,900)
Balance at 16 January 2021	9,361	141,655	77,690	228,706
Depreciation and impairment at 12 Jan 2020	2,976	95,077	51,457	149,510
Depreciation charge for the period	312	8,809	10,569	19,690
Impairment charge for the period	-	2,524	691	3,215
Transfer to Intangibles	-	-	(166)	(166)
Disposals	(5)	(19,056)	(1,840)	(20,901)
Balance at 16 January 2021	3,283	87,354	60,711	151,348
Net book value at 11 January 2020	6,147	70,922	23,608	100,677
Net book value at 16 January 2021	6,078	54,301	16,979	77,358

Impairment review

A review of the carrying value of the fixed assets relating to the retail bingo clubs has been performed on a club-by-club basis with reference to the future cash flow generation of each club. Based on that review an impairment of £3,215,000 has been recognised. Within note 13 of the consolidated financial statements of Buzz Venus Group Ltd, detail is set out of the sensitivity of the assumptions at a CGU level including the impact of any changes in the assumptions which would lead to an increase in the impairment charge. Any such increase in impairment would be expected to be split between an impairment of Property, plant and equipment and Goodwill in Buzz Venus Group Limited.

Leased plant and machinery

At 16 January 2021 the net carrying amount of leased plant and machinery was £1,377,000 (2020: £1,878,000). The leased equipment secures the lease obligations (see Note 18).

Notes (continued)

11 Right of use assets

	Leasehold land and buildings £000	Plant and machinery £000	Total £000
Cost			
Cost at 11 January 2020	264,336	1,109	265,445
Transfer	13	(13)	-
Additions	4,885	8	4,893
Lease Modifications (as part of the CVA)	(78,880)	-	(78,880)
Disposals	(43,759)	(243)	(44,002)
Balance at 16 January 2021	146,595	861	147,456
Depreciation			
Depreciation and impairment at 11 Jan 2020	26,744	431	27,175
Depreciation charge for the period	12,606	388	12,994
Disposals	(14,813)	(243)	(15,056)
Balance at 16 January 2021	24,537	576	25,113
Net book value at 11 January 2020	237,592	678	238,270
Net book value at 16 January 2021	122,058	285	122,343

Notes (continued)

12 Goodwill and Intangible assets

	Goodwill £000	Licences Trade-marks £000	Customer Relationships £000	Software £000	Total £000
Cost at 12 January 2020	14,373	67,167	13,735	1,259	96,534
Additions	-	-	-	172	172
Disposals	-	-	-	(109)	(109)
Balance at 16 January 2021	14,373	67,167	13,735	1,322	96,597
Depreciation & impairment at 12 Jan 2020	4,436	66,127	13,248	585	84,396
Amortisation for the period	-	-	244	-	244
Transfer from Tangible Fixed Assets	-	-	-	166	166
Disposals	-	-	-	(109)	(109)
Balance at 16 January 2021	4,436	66,127	13,492	642	84,697
Net book value at 12 January 2020	9,937	1,040	487	674	12,138
Net book value at 16 January 2021	9,937	1,040	243	680	11,900

Other intangible assets comprise internally generated computer software and development technology.

Impairment Review

£1,040,000 of indefinite life intangible assets relate to the costs of acquiring the premises licences to operate the bingo halls. The value is based on an average cost per site, taking into account the internal and external costs, including application and legal fees. Although no licences have been applied for since the Indefinite Life asset was recognised, a review of the potential costs indicates that these have increased over the period since acquisition. As such, the value in use is greater than the carrying value and there is no impairment of Indefinite Life intangible assets.

The goodwill is considered to relate to the skills and support provided by the central head office, the linked nature and scale of the business, and the experience of its management at all levels. As a result the goodwill benefits all the acquired bingo clubs and therefore goodwill is tested by reference to the combined cash flow generation from the bingo clubs.

The recoverable amount of each cash generating unit has been calculated with reference to its value in use. Details of the key assumptions used are disclosed in the financial statements of Buzz Venus Group Limited.

Notes (continued)

13 Fixed Asset Investments

	Shares in group companies £000	Investment in associate £000	Total £000
Cost:			
Balance at 11 January 2020 and 16 January 2021	68,357	160	68,517
Provisions for diminution in value:			
Balance at 11 January 2020 and 16 January 2021	36,310	-	36,310
Net book value at 11 January 2020	32,047	160	32,207
Net book value at 16 January 2021	32,047	160	32,207

a) Shares in group companies

The Company has the following investments in subsidiaries, all of which are 100% interests in the ordinary share capital and all of which are registered in England and Wales, except for Buzz County Clubs Limited which is registered in Scotland.

Company	Principal Activity	Direct / Indirect
Buzz County Clubs Limited	Bingo Club Operator	Direct
Buzz Leisure Limited	Non-trading	Direct
Buzz Bingo Group Limited	Non-trading	Direct

All of the companies have the registered address Unit 1, Castle Marina Road, Nottingham, NG7 1TN except Buzz County Clubs Limited which has the registered address Buzz Clubs Regional office, Kerse Lane, Falkirk, FK1 1RJ.

After the balance sheet date, on 21 June 2021, the Company acquired 100% of the share capital of Seldis Cooper Management Limited.

b) Investment in associate

During the prior period, the Company acquired a 32% interest in Mutuel Play Limited for £160,000, which is a company registered in England and Wales. Mutuel Play Limited has a registered address of 53c Mabel Street, Woking, Surrey, GU21 6NW.

Notes (continued)

14 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:	Assets 16 January 2021 £000	Liabilities 16 January 2021 £000	Assets 11 January 2020 £000	Liabilities 11 January 2020 £000
Property, plant and equipment and software	336	-	3,023	-
Other intangible fixed assets	-	(336)	-	(334)
Provisions	-	-	366	-
Trading losses	-	-	2,717	-
IFRS16 transitional adjustment spreading	-	-	-	(224)
Tax assets / (liabilities)	336	(336)	6,106	(558)
Net deferred tax assets / (liabilities)		-		5,548

Deferred tax assets have been not been recognised on temporary differences, other than to offset deferred tax liabilities, on the basis of forecast utilisation in the short term. If recognised the deferred tax balance would have been £19,884,000 at 19% and £26,163,000 at 25% (see note 8).

No deferred tax asset has been recognised in respect of capital losses of £9,835,000 (2020: £658,000).

	12 January 2019 £000	Recognised in income and OCI £000	11 January 2020 £000	Recognised in income and OCI £000	16 January 2021 £000
Movement in deferred tax during the year					
Property, plant and equipment	2,890	133	3,023	(2,687)	336
Other intangible fixed assets	(408)	74	(334)	(2)	(336)
Provisions	468	(102)	366	(366)	-
Trading losses	1785	932	2,717	(2,717)	-
IFRS16 spreading	(240)	16	(224)	224	-
Total	4,495	1,053	5,548	(5,548)	-

15 Inventories

	16 January 2021 £000	11 January 2020 £000
Raw materials and consumables	333	981

There are no inventories recognised as expenses and no write-downs during the period (2020: £Nil).

Notes (continued)

16 Trade and other receivables

	16 January 2021 £000	11 January 2020 £000
Current:		
Amounts due from group undertakings	84,997	81,291
Trade receivables	4,712	1,421
Prepayments and accrued income	1,725	5,027
Total trade and other receivables	91,434	87,739
Non-Current:		
Other receivables	-	600

Amounts owed by group undertakings are unsecured, have no fixed date of repayment and the directors have confirmed that they do not intend to request payment within the next year. No interest is charged on these balances.

17 Cash and cash equivalents

	16 January 2021 £000	11 January 2020 £000
Cash and cash equivalents per balance sheet	19,999	32,127

18 Other interest-bearing loans and borrowings

	16 January 2021 £000	11 January 2020 £000
Non-current liabilities		
Finance lease liabilities	-	(265)
Total non-current liabilities	-	(265)
Current liabilities		
Current portion of finance lease liabilities	(277)	(249)
Total current liabilities	(277)	(249)

Notes (continued)

18 Other interest-bearing loans and borrowings (continued)

Finance lease liabilities are payable as follows:

	Minimum lease payments £000	Interest £000	Principal £000
Less than one year	283	6	277
Between one and five years	-	-	-
More than five years	-	-	-
As at 16 January 2021	283	6	277

19 Trade and other payables

	16 January 2021 £000	11 January 2020 £000
Current:		
Trade payables	(5,780)	(6,502)
Amounts due to group undertakings	(99,011)	(57,325)
Social Security and other taxes	(16,600)	(12,571)
Non-trade payables and accrued expenses	(28,671)	(23,908)
Capital Creditors	(326)	(86)
Total trade and other payables	(150,388)	(100,392)
Non-current:		
Non-trade payables and accrued expenses	-	-

Amounts owed to group undertakings are unsecured, have no fixed date of repayment and the directors have confirmed that they do not intend to request payment within the next year. Amounts due to group companies on financing relating to shareholder investment attract interest at 5.75% plus LIBOR or 8% and are repayable on demand. All other amounts owed between group companies do not bear interest.

Notes (continued)

20 Lease liabilities

	16 January 2021 £000	11 January 2020 £000
Current:		
Lease liabilities	(307)	(9,947)
Non-current:		
Lease liabilities	(148,549)	(259,759)
Total lease liabilities	(148,856)	(269,706)

The following table sets out a maturity analysis of lease liabilities at the 16 January 2021:

	16 January 2021 £000	11 January 2020 £000
Less than one year	(307)	(9,947)
Between one and five years	(21,054)	(40,751)
More than five years	(127,495)	(219,008)
Total lease liabilities	(148,856)	(269,706)

The following table sets out the movement in the lease liability in the year:

	£000
Brought forward lease liability	(269,706)
Capital movement in the year	(657)
Modifications to leases	80,227
Lease terminations	41,280
Total lease liabilities at 16 January 2021	(148,856)

During the period the majority of leases were either disposed of or modified as part of the CVA.

21 Employee benefits

Defined contribution plans

The Company operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £1,137,000 (2020: £1,682,000).

22 Provisions

	16 January 2021 £000	11 January 2020 £000
Dilapidations		
Balance at the start of the period	1,810	2,114
Provisions made during the period	2,642	52
Provisions used during the period	(40)	-
Provisions reversed during the period	(1,491)	(356)
Balance at the end of the period	2,921	1,810
Current	2,049	1,010
Non-current	872	800

Notes (continued)

22 Provisions (continued)

Dilapidations

The Company regularly reviews the clubs to identify any potential dilapidation liabilities across the estate. The assessment is on a club by club basis, taking into account the expiry term of the lease, landlord intentions for the site and the historical track record of repairs and maintenance. The provisions are an estimate of the potential exposure taking into account the underlying factors and supported by surveys of the sites by the property team. Provisions classed as current reflect those where the liability is expected to crystallise in the next financial year.

23 Capital and reserves

	Ordinary Shares of £1 each	
	Number	£000
Allotted and fully paid share capital:		
At 11 January 2020 and 16 January 2021	100	-
Share Premium:		£000
At 11 January 2020 and 16 January 2021		30,000

Dividends

No dividends were paid or proposed during the year (2020: £Nil).

24 Retained Earnings

	£000
At 11 January 2020	121,100
Loss for the period	(91,821)
At 16 January 2021	29,279

25 Commitments

Capital commitments

As at 16 January 2021, the Company has contracts placed for future capital expenditure of £1,532,000 (2020: £585,000).

Notes (continued)

26 Related parties

The aggregate payroll costs of the directors are shown in Note 7.

The directors of the Company also had the following loans with the Company during the year.

	16 January 2021 £000	11 January 2020 £000
Balance at the beginning of the period	42	42
Loans advanced during the year	-	-
Loans repaid during the year	-	-
Total directors loans (included within trade and other receivables)	42	42

The Company also made the following payments to related parties for director services. No amounts were outstanding at the balance sheet date.

	12 January 2020 to 16 January 2021 £000	12 January 2019 to 11 January 2020 £000
Caledonia Group Services Limited	50	250
Prospect Associates	122	132
Total	172	382

During the period, Chris Matthews, the Group Chief Executive Officer, also acted as the Chairman of The Bingo Association Limited and The National Bingo Game Association, both of which are unpaid roles.

The Company made payments in the period to The Bingo Association Limited and its subsidiaries of £348,000 (2020: £1,219,000). The subsidiaries are The National Bingo Game Association and ISD Computer Services Limited, who provide computer software supplies.

The Company made payments of £504,000 (2020 - £358,000) to Mutuel Play Limited, the associated company that the Group has a 32% investment in, for gaming services provided.

During the prior period the Company incurred interest on the loan provided from Caledonia Venus Holdings Limited, the direct parent of the Company, of £10,691,000 (2020: £9,612,000). This interest, along with the loan principal was waived after the balance sheet date.

27 Ultimate parent company and parent company

At the Balance Sheet date the Company was a subsidiary of Caledonia Venus Holdings Limited, a company incorporated in England and Wales. On 15 March 2021 Caledonia Venus Holdings Limited sold its investment in the Company to Buzz Sarl, a company that is ultimately owned by funds managed by Intermediate Capital Group Plc, and has subsequently entered into liquidation proceedings. The Company is consolidated into the consolidated financial statements of Buzz Venus Group Limited, which are available to the public and may be obtained from the registered office address of Unit 1, Castle Marina Road, Nottingham, NG7 1TN.

As at the Balance Sheet date the ultimate parent company and ultimate controlling party was Caledonia Investments Plc, incorporated in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from the registered office address of Cayzer House, 30 Buckingham Gate, London, SW1E 6NN. No other company accounts include the results of the Company. No amounts were paid to Caledonia Investments Plc and no amounts were outstanding at the end of the period.

Notes (continued)

28 Subsequent events

On 15 March 2021 Caledonia Venus Holdings Limited sold its investment in the Company to Buzz Sarl, a company that is ultimately owned by funds managed by Intermediate Capital Group Plc. The Company's ultimate parent and ultimate controlling party therefore changed on this date.

On 15 March 2021 ICG provided an additional £10,000,000 of funding and Barclays provided an additional £10,000,000 of funding via a CLBILS facility.

On 10 February 2022 ICG committed to provide an additional £10,250,000 of funding.

The terms of the loans remain unchanged, with the covenants amended to provide a more flexible covenant structure.

29 Accounting estimates and judgements

The preparation of financial statements in conformity with adopted IFRS's requires management to make judgements, estimates and assumptions that effect the application of policies and reported annual amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

The Company believes the principal accounting estimates, assumptions and uncertainties employed in the preparation of these financial statements are:

- Estimated impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill is tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are given in Note 11.

- Discount rates used for IFRS 16

The IFRS 16 lease liability has been calculated based on the future cash flows of a lease, discounted at the relevant discount rate. The application of a single discount rate has been made to a portfolio of leases with reasonably similar characteristics. The key differential considered in determining the similar characteristics is the length of the lease.