

STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS FOR THE PERIOD 27 DECEMBER 2021 TO 1 JANUARY 2023
FOR
WPC7 LTD

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for the Period 27 DECEMBER 2021 TO 1 JANUARY 2023

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WPC7 LTD

COMPANY INFORMATION

for the Period 27 DECEMBER 2021 TO 1 JANUARY 2023

DIRECTOR: J D Weight

REGISTERED OFFICE: C/O Drp Oasys Ltd
Pure Offices Waterwells Drive
Quedgeley
Gloucester
GL2 2AT

REGISTERED NUMBER: 12106913 (England and Wales)

AUDITORS: Burnside
Chartered Accountants
and Statutory Auditor
61 Queen Square
Bristol
BS1 4JZ

STRATEGIC REPORT
for the Period 27 DECEMBER 2021 TO 1 JANUARY 2023

This is the period of account for WPC7 Ltd trading as Rileys Sports Bars, the "company", with the results contained within covering the period from 27 December 2021 to 1 January 2023.

REVIEW OF BUSINESS

The focus of the Board and Management in the current financial year was to:

- i. Guide the business through a difficult trading environment because of the COVID-19 pandemic, cost of living and energy crises;
- ii. Continue to refine a customer loyalty program to drive greater repeat visits and allow the Company to reengineer the discounts on offer;
- iii. Further stabilise the business both operationally and financially following the restructure of the business;
- iv. Implement a new pricing policy so that discounts are more targeted at those customers who are most loyal to Rileys;
- v. Rollout a new till and CRM system to result in more effective marketing through targeted use of the Company's membership database; and
- vi. Finalise assigning the leases from the company in administration.

A total of 8 sites were trading at the end of the financial year. Our site in Aberdeen was shut for the entirety of the prior financial year owing to a landlord dispute. It reopened on 12 April 2022.

Throughout the financial year management have continued to invest in maintenance and capital expenditure across all facets of the club. Snooker and pool tables continue to be kept in good condition by refurbishing to a planned schedule. We maintain health and safety compliance monitoring, which is reviewed at our monthly Board meetings.

The statutory loss before taxation of £(1,226k) includes investor management fees of £(170k), exceptional items of £(857k), depreciation and amortisation of retained business assets of £(1,056k), and group interest payable of £(60k).

Underlying trading EBITDAM (earnings before interest, taxation, depreciation, amortisation and maintenance expenditure) profit was £1,046k (2021: £65k). The increase in profitability was due to the business operating for the 12 months in the current financial year as opposed to 7.5 months in the previous financial year. The business has also benefited from the implementation of several successful strategic initiatives including improvements in customer service, reengineering of pricing and discounts as well as the continued capital investment in the fabric of the company's sites.

Since year end, the Rileys Board have approved a further refurbishment to commence in January 2023 at our site in Nottingham and to reopen in June 2023. The refurbishments will see the replacement of the flooring, kitchen, and audio visual as well as significant reconfiguration and improvement of the club to result in a larger bar and dining areas. The Board is expecting major increases in sales, to be in line with the returns exhibited by the three refurbishments completed in 2021.

STRATEGIC REPORT

for the Period 27 DECEMBER 2021 TO 1 JANUARY 2023

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk that the company faced in the financial year was the difficulties posed to trading by the continued effects of the COVID-19 pandemic. Upon reopening on 17 May 2021 the company quickly returned to pre-pandemic levels of sales due to the reasons noted above. The company was supported through the current financial year from Government grants and through the financial support of its parent company, WPC10 Limited.

A further risk the company faces is that of failing to meet its sales targets. Risk factors that will affect that include the amount of choice within the competitive socialising industry, state of the general economy and consumer confidence, particularly if adversely impacted by a downturn driven by the cost of living and energy crises, through high inflation or Brexit. Although there may be leisure outlets that do not survive the downturn, those that do will have to work harder in the coming years to maintain their share of customers' disposable income.

Furthermore, failure to invest further in the fabric of the company's clubs to provide a more agreeable environment, particularly for female customers, would likely impede the required sales growth. An associated risk is that of not achieving adequate financial returns from such refurbishment and new acquisition investments.

Finally, there is a risk at the financial year end that the leases from the company in administration are not assigned. Though these were all successfully assigned by June 2023.

The company is exposed to UK regulatory changes, principally those relating to health and safety, gaming and licenses.

NON-STATUTORY SITE ANALYSIS

Total for the period ended:

	01/01/2023	26/12/2021
	£'000	£'000
Turnover	5,865	2,638
Gross profit	4,586	2,084
Other operating income	86	478
Adjusted administrative expenses	(3,626)	(2,497)
Operating EBITDAM	1,046	65
Repairs and maintenance	(129)	(71)
Operating EBITDA	917	(6)
Investor management fees	(170)	(170)
Non-recurring costs	(857)	(31)
Depreciation and amortisation	(1,056)	(1,191)
Interest payable and similar charges	(60)	(26)
Loss on ordinary activities before taxation	(1,226)	(1,424)

STRATEGIC REPORT
for the Period 27 DECEMBER 2021 TO 1 JANUARY 2023

KEY PERFORMANCE INDICATORS

The primary KPI for the business is like-for-like sales growth vs pre-pandemic comparatives (i.e. 2019). For the 8 sites open at 1 January 2023, this was 57.2%. The outperformance to 2019 owed to the success of the completed refurbishments, the benefits of a strong and loyal underlying customer base, better and more proactive management of clubs sales plans and the success of pricing changes including the removal of universal discounts.

A further positive sales development during the year was the continued success of the refurbishments at Coventry, Leicester and Victoria completed in the prior financial year. The refurbishment improved all aspects of the clubs and made them more desirable places to visit. Coventry and Victoria reopened in May 2021 and in the clubs first 12 months recognised year on year sales growth to 2019 of 59.4% and 31.2% respectively. The clubs continued this growth recognising 31.0% and 21.3% year on year sales growth to the financial year end in the second year post reopening. Leicester reopened in October 2021 and recognised year on year sales growth to 2019 of 69.4% in the first 12 months and 22.8% year on year sales growth to the financial year end in the second year post reopening.

STRATEGY

The strategy for the business remains to drive profitability growth through the following initiatives:

- Acquisition or opening of new sites in the major target markets where Rileys doesn't currently have a presence, as the refurbishment programme approaches completion. Opportunistic acquisitions, if they present themselves, may also take place in the meantime;
- Improvement to the fabric of the company's sites through continued catch-up maintenance and more refurbishment of sites over a three-year period;
- Improvements in customer service through better staff training and gathering more customer feedback;
- Further tailoring of the customer loyalty program to drive greater repeat visits and allow the company to reengineer the discounts on offer;
- Improvement in systems to drive efficiencies as well as better and more timely management information;
- The introduction of CRM, membership, and tills system to result in more effective marketing through targeted use of the company's membership database; and
- Improvements in the development, retention, and recruitment of staff, particularly the vital club manager cadre.

ON BEHALF OF THE BOARD:

J D Weight - Director

29 September 2023

REPORT OF THE DIRECTOR
for the Period 27 DECEMBER 2021 TO 1 JANUARY 2023

The director presents his report with the financial statements of the company for the period 27 December 2021 to 1 January 2023.

The accounting reference date of the company is 31 December but the financial statements have been drawn up to a Sunday within seven days of this date, which is 1 January 2023.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of the running of sports bars, with a strong focus on pool, snooker and darts, alongside showing the best sports on TV in the best environment.

DIVIDENDS

No dividends will be distributed for the period ended 1 January 2023.

DIRECTOR

J D Weight held office during the whole of the period from 27 December 2021 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE DIRECTOR
for the Period 27 DECEMBER 2021 TO 1 JANUARY 2023

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

J D Weight - Director

29 September 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WPC7 LTD

Opinion

We have audited the financial statements of WPC7 Ltd (the 'company') for the period ended 1 January 2023 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, Notes to the Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 1 January 2023 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WPC7 LTD

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Director.

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

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

Responsibilities of director

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

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WPC7 LTD

Auditors' responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

An understanding of the legal and regulatory framework applicable to the entity was obtained from management and those charged with governance of the entity and the audit engagement team was confirmed to have the appropriate competence and capabilities to identify non-compliance with such a framework.

No significant instances of fraud, non-compliance with laws and regulations or other irregularities were communicated to the engagement team by management or those charged with governance, and no particular audit areas or legislation were identified that gave rise to any significant risks of material misstatement in respect of such irregularities.

Due to the size and nature of the entity its susceptibility to material misstatement resulting from fraud, non-compliance with laws and regulations, or other irregularities is considered to be low, and the audit approach was appropriately planned so as to address this risk.

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

Use of our report

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

Steven Coombe FCA (Senior Statutory Auditor)
for and on behalf of Burnside
Chartered Accountants
and Statutory Auditor
61 Queen Square
Bristol
BS1 4JZ

29 September 2023

INCOME STATEMENT
for the Period 27 DECEMBER 2021 TO 1 JANUARY 2023

		Period 27.12.21 to 1.1.23 £	Period 28.12.20 to 26.12.21 £
	Notes		
TURNOVER		5,865,256	2,637,641
Cost of sales		<u>1,279,040</u>	<u>553,298</u>
GROSS PROFIT		4,586,216	2,084,343
Administrative expenses		<u>5,839,071</u> (1,252,855)	<u>3,960,439</u> (1,876,096)
Other operating income		<u>86,067</u>	<u>477,993</u>
OPERATING LOSS	4	(1,166,788)	(1,398,103)
Interest payable and similar expenses	6	<u>60,080</u>	<u>26,340</u>
LOSS BEFORE TAXATION		(1,226,868)	(1,424,443)
Tax on loss	7	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL PERIOD		<u>(1,226,868)</u>	<u>(1,424,443)</u>

OTHER COMPREHENSIVE INCOME
for the Period 27 DECEMBER 2021 TO 1 JANUARY 2023

	Notes	Period 27.12.21 to 1.1.23 £	Period 28.12.20 to 26.12.21 £
LOSS FOR THE PERIOD		(1,226,868)	(1,424,443)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>(1,226,868)</u>	<u>(1,424,443)</u>

BALANCE SHEET
1 JANUARY 2023

	Notes	2023 £	£	2021 £	£
FIXED ASSETS					
Intangible assets	8		4,171,530		4,709,792
Tangible assets	9		1,683,701		2,264,995
			5,855,231		6,974,787
CURRENT ASSETS					
Stocks	10	58,098		50,908	
Debtors	11	494,444		610,576	
Cash at bank and in hand		316,913		164,332	
		869,455		825,816	
CREDITORS					
Amounts falling due within one year	12	905,680		973,470	
NET CURRENT LIABILITIES			(36,225)		(147,654)
TOTAL ASSETS LESS CURRENT LIABILITIES			5,819,006		6,827,133
CREDITORS					
Amounts falling due after more than one year	13		9,336,251		9,117,510
NET LIABILITIES			(3,517,245)		(2,290,377)
CAPITAL AND RESERVES					
Called up share capital	17		1		1
Retained earnings	18		(3,517,246)		(2,290,378)
SHAREHOLDERS' FUNDS			(3,517,245)		(2,290,377)

The financial statements were approved by the director and authorised for issue on 29 September 2023 and were signed by:

J D Weight - Director

STATEMENT OF CHANGES IN EQUITY
for the Period 27 DECEMBER 2021 TO 1 JANUARY 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 28 December 2020	1	(865,935)	(865,934)
Changes in equity			
Total comprehensive income	-	(1,424,443)	(1,424,443)
Balance at 26 December 2021	1	(2,290,378)	(2,290,377)
Changes in equity			
Total comprehensive income	-	(1,226,868)	(1,226,868)
Balance at 1 January 2023	1	(3,517,246)	(3,517,245)

CASH FLOW STATEMENT**for the Period 27 DECEMBER 2021 TO 1 JANUARY 2023**

		Period 27.12.21 to 1.1.23 £	Period 28.12.20 to 26.12.21 £
Cash flows from operating activities	Notes		
Cash generated from operations	1	453,181	(666,032)
Interest paid		(60,080)	(26,340)
Government grants		30,567	459,557
Net cash from operating activities		423,668	(232,815)
Cash flows from investing activities			
Purchase of tangible fixed assets		(349,971)	(1,810,802)
Net cash from investing activities		(349,971)	(1,810,802)
Cash flows from financing activities			
New loans in year		218,741	1,880,244
Group balances		(139,857)	205,359
Net cash from financing activities		78,884	2,085,603
Increase in cash and cash equivalents		152,581	41,986
Cash and cash equivalents at beginning of period	2	164,332	122,346
Cash and cash equivalents at end of period	2	316,913	164,332

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
for the Period 27 DECEMBER 2021 TO 1 JANUARY 2023

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Period 27.12.21 to 1.1.23 £	Period 28.12.20 to 26.12.21 £
Loss before taxation	(1,226,868)	(1,424,443)
Depreciation charges	602,205	652,306
Loss on disposal of fixed assets	329,060	-
Amortisation charges	538,262	538,262
Government grants	(30,567)	(459,557)
Finance costs	60,080	26,340
	272,172	(667,092)
Increase in stocks	(7,190)	(19,575)
Decrease/(increase) in trade and other debtors	231,156	(171,696)
(Decrease)/increase in trade and other creditors	(42,957)	192,331
Cash generated from operations	453,181	(666,032)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Period ended 1 January 2023

	1.1.23 £	27.12.21 £
Cash and cash equivalents	316,913	164,332

Period ended 26 December 2021

	26.12.21 £	28.12.20 £
Cash and cash equivalents	164,332	122,346

NOTES TO THE CASH FLOW STATEMENT
for the Period 27 DECEMBER 2021 TO 1 JANUARY 2023

3. ANALYSIS OF CHANGES IN NET DEBT

	At 27.12.21	Cash flow	At 1.1.23
	£	£	£
Net cash			
Cash at bank and in hand	164,332	152,581	316,913
	164,332	152,581	316,913
Debt			
Debts falling due after 1 year	(9,117,510)	(218,741)	(9,336,251)
	(9,117,510)	(218,741)	(9,336,251)
Total	(8,953,178)	(66,160)	(9,019,338)

NOTES TO THE FINANCIAL STATEMENTS
for the Period 27 DECEMBER 2021 TO 1 JANUARY 2023

1. STATUTORY INFORMATION

WPC7 Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The accounting reference date of the company is 31 December but the financial statements have been drawn up to a Sunday within seven days of this date, which is 1 January 2023.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2020, is being amortised evenly over its estimated useful life of ten years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- Straight line over 10 years
Fixtures and fittings	- Straight line over 3 to 12 years
Computer equipment	- Straight line over 3 years

Government grants

In the current and prior period, the company received government grant payments as support through the Covid pandemic. These have been recognised as Other Operating Income.

In the prior period only, the company furloughed staff under the Government's Coronavirus Job Retention Scheme (CJRS). Income receivable under CJRS was recognised in Other Operating Income under the accruals method.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Period 27 DECEMBER 2021 TO 1 JANUARY 2023

2. ACCOUNTING POLICIES - continued

Financial instruments

Financial assets and liabilities are recognised in the balance sheet when the company becomes party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and are measured on initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company may not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of any direct issue costs.

Interest bearing loans which meet the criteria of basic financial instruments are initially recorded at the present value of cash payable to the lender, usually being equivalent to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

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

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Period 27 DECEMBER 2021 TO 1 JANUARY 2023**2. ACCOUNTING POLICIES - continued****Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Going concern

The financial statements have been prepared on a going concern basis as the immediate parent undertaking, WPC10 Limited, has confirmed its intention to make available such funds as needed by the company to continue in operational existence for the foreseeable future, by meeting the company's liabilities as they fall due, being a period of at least twelve months from the date of approval of these financial statements.

3. EMPLOYEES AND DIRECTORS

	Period 27.12.21 to 1.1.23 £	Period 28.12.20 to 26.12.21 £
Wages and salaries	1,413,549	905,385
Social security costs	73,308	40,777
Other pension costs	16,050	12,534
	<u>1,502,907</u>	<u>958,696</u>

The average number of employees during the period was as follows:

	Period 27.12.21 to 1.1.23	Period 28.12.20 to 26.12.21
Operatives	105	79
Staff	11	9
	<u>116</u>	<u>88</u>

	Period 27.12.21 to 1.1.23 £	Period 28.12.20 to 26.12.21 £
Director's remuneration	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Period 27 DECEMBER 2021 TO 1 JANUARY 2023****4. OPERATING LOSS**

The operating loss is stated after charging:

	Period 27.12.21 to 1.1.23 £	Period 28.12.20 to 26.12.21 £
Hire of plant and machinery	12,496	1,826
Other operating leases	424,406	401,568
Depreciation - owned assets	602,205	652,305
Goodwill amortisation	538,262	538,262
Auditors' remuneration	<u>10,100</u>	<u>9,000</u>

5. EXCEPTIONAL ITEMS

	Period 27.12.21 to 1.1.23 £	Period 28.12.20 to 26.12.21 £
Exceptional items	<u>(857,349)</u>	<u>(31,029)</u>

These costs relate to expenses incurred to ensure a smooth transition during the transfer of certain trade and assets from Rileys Sports Bars (2014) Ltd and are included within administrative expenses. In the period, legal fees were incurred by the company relating to a landlord dispute. This was fully resolved in the year after the freehold of the site was purchased by a group company.

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	Period 27.12.21 to 1.1.23 £	Period 28.12.20 to 26.12.21 £
Interest on group loans	<u>60,080</u>	<u>26,340</u>

7. TAXATION**Analysis of the tax charge**

No liability to UK corporation tax arose for the period ended 1 January 2023 nor for the period ended 26 December 2021.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Period 27 DECEMBER 2021 TO 1 JANUARY 2023**7. TAXATION - continued****Reconciliation of total tax charge included in profit and loss**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 27.12.21 to 1.1.23 £	Period 28.12.20 to 26.12.21 £
Loss before tax	<u>(1,226,868)</u>	<u>(1,424,443)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(233,105)	(270,644)
Effects of:		
Expenses not deductible for tax purposes	300,629	187,646
Income not taxable for tax purposes	(12,174)	-
Movement on deferred tax not recognised	<u>(55,350)</u>	<u>82,998</u>
Total tax charge	<u>-</u>	<u>-</u>

At 1 January 2023, the company had tax losses carried forward and available to offset future taxable profits totalling £3,831,101 (2021 - £3,880,563).

At 1 January 2023, the company had unprovided deferred tax assets of £7,937,033 (2021 - £6,867,794) in respect of tax losses and other short term timing differences.

8. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 27 December 2021 and 1 January 2023	<u>5,382,619</u>
AMORTISATION	
At 27 December 2021	672,827
Amortisation for period	538,262
At 1 January 2023	<u>1,211,089</u>
NET BOOK VALUE	
At 1 January 2023	<u>4,171,530</u>
At 26 December 2021	<u>4,709,792</u>

Goodwill arose on purchase of certain trade and assets of Rileys Sports Bars (2014) Limited.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Period 27 DECEMBER 2021 TO 1 JANUARY 2023

9. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 27 December 2021	1,856,533	1,730,465	-	3,586,998
Additions	-	260,620	89,351	349,971
Disposals	(413,335)	-	-	(413,335)
At 1 January 2023	<u>1,443,198</u>	<u>1,991,085</u>	<u>89,351</u>	<u>3,523,634</u>
DEPRECIATION				
At 27 December 2021	212,551	1,109,452	-	1,322,003
Charge for period	185,653	406,054	10,498	602,205
Eliminated on disposal	(84,275)	-	-	(84,275)
At 1 January 2023	<u>313,929</u>	<u>1,515,506</u>	<u>10,498</u>	<u>1,839,933</u>
NET BOOK VALUE				
At 1 January 2023	<u>1,129,269</u>	<u>475,579</u>	<u>78,853</u>	<u>1,683,701</u>
At 26 December 2021	<u>1,643,982</u>	<u>621,013</u>	<u>-</u>	<u>2,264,995</u>

10. STOCKS

	2023 £	2021 £
Stocks	<u>58,098</u>	<u>50,908</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2021 £
Trade debtors	9,778	296,624
Amounts owed by group undertakings	115,024	-
Other debtors	149,658	89,537
Prepayments and accrued income	<u>219,984</u>	<u>224,415</u>
	<u>494,444</u>	<u>610,576</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Period 27 DECEMBER 2021 TO 1 JANUARY 2023****12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023	2021
	£	£
Trade creditors	217,753	335,816
Amounts owed to group undertakings	224,177	249,010
Social security and other taxes	25,902	25,198
VAT	72,979	45,077
Other creditors	15,115	84,275
Accruals and deferred income	349,754	234,094
	<u>905,680</u>	<u>973,470</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2021
	£	£
Other loans (see note 14)	<u>9,336,251</u>	<u>9,117,510</u>

Loans due to group companies are subject to interest at a rate of 22% per annum and are repayable in full by 31 December 2029. Interest on these loans has been waived for the period at the discretion of the parent company WPC10 Limited.

14. LOANS

An analysis of the maturity of loans is given below:

	2023	2021
	£	£
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Loans due to group companies	<u>9,336,251</u>	<u>9,117,510</u>

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023	2021
	£	£
Within one year	269,860	299,369
Between one and five years	628,164	814,760
In more than five years	649,319	732,582
	<u>1,547,343</u>	<u>1,846,711</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Period 27 DECEMBER 2021 TO 1 JANUARY 2023

16. SECURED DEBTS

The following secured debts are included within creditors:

	2023	2021
	£	£
Loans due to group companies	<u>9,336,251</u>	<u>9,117,510</u>

The loan due to the immediate parent undertaking WPC10 Limited is secured by a debenture over the assets of the company.

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023	2021
			£	£
1	Ordinary share capital	£1	<u>1</u>	<u>1</u>

18. RESERVES

	Retained earnings
	£
At 27 December 2021	(2,290,378)
Deficit for the period	<u>(1,226,868)</u>
At 1 January 2023	<u>(3,517,246)</u>

19. CONTINGENT LIABILITIES

The company has granted a fixed and floating charge over all assets to secure the borrowing in another group company. As at the balance sheet date, the amount secured in the other group company was £1,002,959.

20. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

21. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is J D Weight.

The immediate parent undertaking is WPC10 Limited and the ultimate parent company is Weight Partners Corporate Limited.

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