

## Form 51-102F4

### Business Acquisition Report

#### Item 1 Identity of Company

##### 1.1 Name and Address of Company

PlantX Life Inc. (the “**Company**”)  
504 - 100 Park Royal South  
West Vancouver, BC  
V7T 1A2

##### 1.2 Executive Officer

Lorne Rapkin, Chief Financial Officer  
Tel: 604 355-6100

#### Item 2 Details of Acquisition

##### 2.1 Nature of Business Acquired

On November 6, 2020, the Company completed its acquisition (the “**Acquisition**”) of Bloomboxclub Limited (“**Bloombox**”), an e-commerce company based in the United Kingdom that sells and delivers indoor plants to its established wellness community via subscription service and online shop.

##### 2.2 Acquisition Date

The acquisition of Bloombox closed on November 6, 2020.

##### 2.3 Consideration

The Company paid a purchase price of £8,000,000 that was satisfied by a combination of £560,000 in cash and £7,440,000 in common shares in the capital of the Company (“**Consideration Shares**”). An aggregate of 10,782,559 Consideration Shares were issued to the sellers of Bloombox at a deemed price of C\$1.17 per share, that being equal to the ten (10) day volume weighted average trading price of the Company’s common shares immediately preceding the public announcement of the Acquisition (the “**Consideration Share Price**”). The Consideration Shares were subject to a four (4) month hold period in accordance with applicable Canadian securities laws. Pursuant to the terms of the definitive purchase agreement, the Consideration Shares were also deposited into escrow and will be released in accordance with the following release schedule:

- 20% of the Consideration Shares were immediately released from escrow on closing;
- 15% will be released three (3) months from closing;
- 15% will be released six (6) month from closing;
- 15% will be released nine (9) months from closing;
- 15% will be released twelve (12) months from closing;

- 10% will be released fifteen (15) months from closing; and
- the remaining 10% will be released eighteen (18) months from closing.

In connection with the Acquisition, the Company paid a financial advisory fee equal to 10% of the value of the Acquisition to an arm's length, third party financial advisor for its assistance in introducing, evaluating, and structuring the Acquisition for the Company. The fee was satisfied by a combination of cash and common shares of the Company, of which an aggregate of 1,043,473 common shares of the Company were issued to the advisor at a deemed price per share equal to the Consideration Share Price. The shares issued to the advisor are subject to a four (4) month hold period in accordance with applicable Canadian securities laws.

#### **2.4 Effect on Financial Position**

The Company does not currently have any plans or proposals for material changes in its business or the affairs of Bloombox, which would have a significant effect on the financial performance or financial position of the Company.

#### **2.5 Prior Valuations**

No valuation opinion was required by Canadian securities legislation or a Canadian stock exchange or market to support the consideration paid by the Company in connection with the Acquisition.

#### **2.6 Parties to Transaction**

The Acquisition was negotiated between arms-length parties and did not involve an informed person, associate or affiliate of the Company, as defined in section 1.1 of National Instrument 51-102 ("**NI 51-102**").

#### **2.7 Date of Report**

January 15, 2021

### **Item 3 Financial Statements and Other Information**

The audited annual financial statements of Bloombox, the notes thereto and the auditor's report thereon as at and for the year ended August 31, 2020 as required by Part 8 of NI 51-102 are included in this Business Acquisition Report and attached as Schedule "A" hereto.

**SCHEDULE A**

**Annual report and financial statements of  
Bloombox for the year ended August 31, 2020**

Company Registration No. 09791800 (England and Wales)

**BLOOMBOXCLUB LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

# BLOOMBOXCLUB LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	P Redhead	(Appointed 12 September 2019)
	J Gilbert	(Appointed 27 March 2020)
	P Simeon	(Appointed 6 November 2020)
	L Rapkin	(Appointed 6 November 2020)

**Company number** 09791800

**Registered office** Unit 1.G.01 The Leathermarket  
Weston Street  
London  
United Kingdom  
SE1 3ER

**Auditor** Azets Audit Services  
5 Yeomans Court  
Ware Road  
Hertford  
SG13 7HJ

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# BLOOMBOXCLUB LIMITED

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# **BLOOMBOXCLUB LIMITED**

## **DIRECTORS' REPORT**

### ***FOR THE YEAR ENDED 31 AUGUST 2020***

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The directors present their annual report and financial statements for the year ended 31 August 2020.

No strategic report has been prepared as the directors have opted to apply the exemption available to small companies as per Section 414B of Companies Act 2006.

#### **Principal activities**

The principal activity of the company continued to be that of an online subscription service to plants.

#### **Results and dividends**

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Directors**

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

K Gilbert	(Resigned 6 November 2020)
P Redhead	(Appointed 12 September 2019)
L Busch	(Resigned 8 October 2019)
L Novak	(Resigned 26 March 2020)
G Reeves	(Resigned 8 October 2019)
J Gilbert	(Appointed 27 March 2020)
P Simeon	(Appointed 6 November 2020)
L Rapkin	(Appointed 6 November 2020)

#### **Supplier payment policy**

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the company at the year end were equivalent to 13 day's purchases, based on the average daily amount invoiced by suppliers during the year.

#### **Auditor**

Azets Audit Services were appointed as auditor to the company on 1 October 2020. Pursuant to section 487 of the Companies Act 2006, the auditor will deem to be reappointed and Azets Audit Services will therefore continue in office.

## **BLOOMBOXCLUB LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2020***

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

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



J Gilbert  
**Director**

15 January 2021



# **BLOOMBOXCLUB LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 AUGUST 2020***

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# BLOOMBOXCLUB LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLOOMBOXCLUB LIMITED

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### Opinion

We have audited the financial statements of BloomBoxClub Limited (the 'company') for the year ended 31 August 2020 which comprise the income statement, the statement of financial position, the statement of changes in equity, the statement of cash flows 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

# **BLOOMBOXCLUB LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BLOOMBOXCLUB LIMITED**

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

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

### **Responsibilities of directors**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

### **Other matter – prior period financial statements**

In forming our opinion on the Financial Statements, which is not modified, we note that the prior period Financial Statements were not audited. Consequently, International Standards on Auditing (UK and Ireland) require the auditor to state that the corresponding figures contained within these Financial Statements are unaudited.

# **BLOOMBOXCLUB LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BLOOMBOXCLUB LIMITED**

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### **Use of our report**

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

*Azets Audit Services*

**Lindsey Tyler FCA (Senior Statutory Auditor)  
for and on behalf of Azets Audit Services  
Chartered Accountants  
Statutory Auditor**

15 January 2021

5 Yeomans Court  
Ware Road  
Hertford  
SG13 7HJ

# BLOOMBOXCLUB LIMITED

## INCOME STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

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	Notes	2020 £	2019 £
<b>Revenue</b>	<b>4</b>	1,415,143	376,581
Cost of sales		(783,938)	(254,307)
<b>Gross profit</b>		<u>631,205</u>	<u>122,274</u>
Other operating income		11,890	72
Administrative expenses		(1,131,570)	(404,308)
<b>Operating loss</b>	<b>5</b>	<u>(488,475)</u>	<u>(281,962)</u>
Finance costs	<b>8</b>	(263)	-
<b>Loss before taxation</b>		<u>(488,738)</u>	<u>(281,962)</u>
Income tax expense	<b>9</b>	-	-
<b>Loss and total comprehensive income for the year</b>		<u><u>(488,738)</u></u>	<u><u>(281,962)</u></u>

The income statement has been prepared on the basis that all operations are continuing operations.

# BLOOMBOXCLUB LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2020

	Notes	2020 £	2019 £
<b>Non-current assets</b>			
Property, plant and equipment	10	2,465	-
<b>Current assets</b>			
Inventories	11	17,200	4,000
Trade and other receivables	12	62,856	18,689
Cash and cash equivalents		672,345	149,869
		752,401	172,558
<b>Total assets</b>		754,866	172,558
<b>Current liabilities</b>			
Trade and other payables	18	908,713	115,386
Borrowings	15	101,578	109,784
		1,010,291	225,170
<b>Net current liabilities</b>		(257,890)	(52,612)
<b>Non-current liabilities</b>			
Borrowings	15	47,500	-
<b>Total liabilities</b>		1,057,791	225,170
<b>Net liabilities</b>		(302,925)	(52,612)
<b>Equity</b>			
Called up share capital	20	159	147
Share premium account	21	736,618	498,197
Own shares	22	(8)	-
Retained earnings		(1,039,694)	(550,956)
<b>Total equity</b>		(302,925)	(52,612)

The financial statements were approved by the board of directors and authorised for issue on 15 January 2021 and are signed on its behalf by:



J Gilbert  
Director

Company Registration No. 09791800

# BLOOMBOXCLUB LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Share capital (note 20) £	Share premium account (note 21) £	Own shares (note 22) £	Retained earnings £	Total £
<b>Balance at 1 September 2018</b>		130	224,970	-	(268,994)	(43,894)
<b>Balance at 31 August 2018</b>		130	224,970	-	(268,994)	(43,894)
<b>Year ended 31 August 2019:</b>						
Loss and total comprehensive income for the year		-	-	-	(281,962)	(281,962)
Issue of share capital	<b>20</b>	17	273,227	-	-	273,244
<b>Balance at 31 August 2019</b>		147	498,197	-	(550,956)	(52,612)
<b>Year ended 31 August 2020:</b>						
Loss and total comprehensive income for the year		-	-	-	(488,738)	(488,738)
Issue of share capital	<b>20</b>	12	238,421	-	-	238,433
Own shares purchased		-	-	(8)	-	(8)
<b>Balance at 31 August 2020</b>		159	736,618	(8)	(1,039,694)	(302,925)

# BLOOMBOXCLUB LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

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	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	28		247,754		(186,974)
Interest paid			(263)		-
<b>Net cash inflow/(outflow) from operating activities</b>			247,491		(186,974)
<b>Investing activities</b>					
Purchase of property, plant and equipment		(2,734)		-	
<b>Net cash used in investing activities</b>			(2,734)		-
<b>Financing activities</b>					
Proceeds from issue of shares		238,433		273,244	
Redemption of shares		(8)		-	
Repayment of borrowings		(10,706)		(8,732)	
New loan issued		50,000		-	
<b>Net cash generated from financing activities</b>			277,719		264,512
<b>Net increase in cash and cash equivalents</b>			522,476		77,538
Cash and cash equivalents at beginning of year			149,869		72,331
Cash and cash equivalents at end of year			672,345		149,869

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# BLOOMBOXCLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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### 1 Accounting policies

#### Company information

BloomBoxClub Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 1.G.01 The Leathermarket, Weston Street, London, United Kingdom, SE1 3ER. The company's principal activities and nature of its operations are disclosed in the directors' report.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

The prior period 31 August 2019 were prepared in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and have been restated for comparative purposes.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

The Company has net liabilities of £302,925 (2019: £52,612) at the balance sheet date and a cash balance of £672,345 (2019: £149,869). The directors have prepared and reviewed forecasts and projections for the Company. In light of the COVID 19 pandemic, the Company has benefited from increase in trading. The directors believe that this increase will continue in the future and have therefore forecast significant increases in performance over the next 12 months. Alongside the increase in performance, the directors are projecting significant expenditure on advertising and marketing to support further growth. To achieve their proposed forecasts the Company is reliant on cash support from the Parent Company. The Company was acquired by the Parent after the year-end as detailed in note 26. The Parent has provided the Company with an undertaking that they will for at least 12 months from the date of approval of these financial statements, continue to make available such funds as are needed by the Company and in particular will not seek repayment of the amounts made available. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The directors have determined that, given all of the facts noted above, it is appropriate to prepare the financial statements on a going concern basis. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern. For example, the extent of the impact of COVID 19 and Brexit are unclear and it is difficult to evaluate all the potential implications on the Company's trade, customers, suppliers and the wider economy.

# BLOOMBOXCLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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### 1 Accounting policies

(Continued)

#### 1.3 Revenue

The Company operates a website where customers can purchase high-quality plants and plant-related goods. The Company's primary sources of revenue are:

- Monthly subscription boxes
- Individual plants and plant-related goods
- Voucher sales

Revenue is recognised in line with the following model:

- the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
- the Company can identify each party's rights regarding the goods or services to be transferred (i.e. the performance obligations);
- the Company can identify the payment terms for the goods or services to be transferred;
- the contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract); and
- it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

The Company recognises revenue when it satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when the customer obtains control of that asset.

A customer obtains control of an asset at a point in time when:

- the Company has a present right to payment for the asset;
- a customer has legal title to the asset;
- the Company has transferred physical possession of the asset;
- a customer has the significant risks and rewards related to the ownership of the asset; and
- a customer has accepted the asset.

Revenue is measured at the amount of the transaction price that is allocated to that performance obligation. The transaction price (which excludes estimates of constrained variable consideration) that is allocated to each performance obligation is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer.

For monthly subscription boxes, the performance obligations are the transfer of individual subscription boxes. Revenue for these is recognised on a monthly basis when these goods are transferred to the customer. The transaction price is based on the monthly cost of the subscription.

For individual plants and plant-related goods the performance obligations are the transfer of the individual plants and plant-related goods. Revenue for these is recognised on transfer of these goods to the customer. The transaction price is based on the sale price of the goods sold.

For voucher sales the performance obligations are the transfer of the individual subscription boxes, plants or plant-related goods, against which the voucher is applied, or on expiry of the voucher. Revenue for these is recognised on transfer of these goods to the customer, or on expiry of the voucher. The transaction price is based on the monthly cost of the subscription, sale price of the goods sold or value of expired voucher.

Returns and refunds are not deemed significant based on historical information, and so no provision has been recognised for potential returns and refunds.

# BLOOMBOXCLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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### 1 Accounting policies

(Continued)

#### 1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Computers	25% reducing balance
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

#### 1.5 Impairment of non current assets

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

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

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

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

#### 1.6 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### 1.7 Cash and cash equivalents

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

# BLOOMBOXCLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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### 1 Accounting policies

(Continued)

#### 1.8 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument.

At initial recognition, financial assets are initially measured at fair value plus transaction costs.

##### **Financial assets held at amortised cost**

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

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

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

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

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

#### 1.9 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

##### **Financial liabilities at fair value through profit or loss**

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

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

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

# BLOOMBOXCLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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### 1 Accounting policies

(Continued)

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

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

#### **1.10 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.11 Taxation**

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

##### ***Current tax***

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

##### ***Deferred tax***

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

#### **1.12 Employee benefits**

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

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

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

# BLOOMBOXCLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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### 1 Accounting policies

(Continued)

#### 1.13 Retirement benefits

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

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

#### 1.14 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

The share options in issue establish key terms and conditions of the grants, including amount of shares reserved for the grant, amount granted to the individual, vesting and forfeiture terms. The options vest upon an occurrence of a share sale, asset sale or listing. As management determined that these scenarios were not probable, no liability or expense was recorded for the year ended 31 August 2020 and 31 August 2019.

#### 1.15 Leases

At inception, the company assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where property, plant and equipment is acquired through a lease, the company recognises a right-of-use asset and a lease liability at the lease commencement date.

#### 1.16 Grants

Government grants are recognised when there is reasonable assurance that the grant conditions will be met and the grants will be received.

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

#### 1.17 Foreign exchange

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

# BLOOMBOXCLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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### 1 Accounting policies

(Continued)

#### 1.18 Financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

##### *Trade and other receivables*

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

##### *Trade and other payables*

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits.

##### *Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

The company recognises loss allowance for expected credit losses on financial assets measured at amortised cost.

The company measures loss allowance at an amount equal to lifetime expected credit losses. Loss allowance for trade receivable are always measured at an amount equal to lifetime expected credit losses.

### 2 Adoption of new and revised standards and changes in accounting policies

In the current year, the following new and revised Standards and Interpretations have been adopted by the company and have no effect on the current period or a prior period but may have an effect on future periods:

International Financial Reporting Standards (IFRS) (except IFRS 16)

These amendments revise the requirements for the presentation of the financial statements. This does not impact the company's reported position.

IFRS 16

These amendments revise the requirements for the presentation of leases within the financial statements. This impacts the company's reported position by requiring the recognition of a right of use asset and lease liability.

# BLOOMBOXCLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 2 Adoption of new and revised standards and changes in accounting policies (Continued)

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the company has decided not to adopt early. The following amendments are effective for the period beginning 1 January 2020:

\* IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment - Definition of Material)

\* Revised Conceptual Framework for Financial Reporting

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

The Company does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities.

The Company does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the Company.

### 3 Critical accounting estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, 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 directors do not consider that there are any estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

### 4 Revenue

	2020	2019
	£	£
<b>Revenue analysed by class of business</b>		
Subscription boxes	469,452	225,235
Other online sales	945,691	151,346
	<u>1,415,143</u>	<u>376,581</u>
<b>Timing of revenue recognition:</b>		
At a point in time	<u>1,415,143</u>	<u>376,581</u>



# BLOOMBOXCLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 4 Revenue (Continued)

	2020	2019
	£	£
<b>Other significant revenue</b>		
Grants received	11,884	-

Grants received relate to Job Retention Scheme support received from the government as a result of the COVID 19 pandemic.

### 5 Operating loss

	2020	2019
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange losses	5,333	-
Government grants	(11,884)	-
Fees payable to the company's auditor for the audit of the company's financial statements	18,650	-
Depreciation of property, plant and equipment	269	-
Cost of inventories recognised as an expense	783,938	254,307

### 6 Employees

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

	2020	2019
	Number	Number
	5	4

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	153,327	66,205
Social security costs	6,069	256
Pension costs	2,655	868

# BLOOMBOXCLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 7 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	12,500	34,882
Company pension contributions to defined contribution schemes	190	498
	<u>12,690</u>	<u>35,380</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019 - 1).

### 8 Finance costs

	2020 £	2019 £
Interest on bank overdrafts and loans	147	-
Other interest payable	116	-
	<u>263</u>	<u>-</u>

### 9 Income tax expense

	2020 £	2019 £
The charge for the year can be reconciled to the loss per the income statement as follows:		
	2020 £	2019 £
Loss before taxation	(488,738)	(281,962)
Expected tax credit based on a corporation tax rate of 19.00% (2019: 19.00%)	(92,860)	(53,573)
Change in unrecognised deferred tax assets	92,860	53,573
<b>Taxation charge for the year</b>	<u>-</u>	<u>-</u>

No deferred tax asset has been recognised in respect of tax losses amounting to £892,929 as it is not considered probable that there will be future taxable profits available. These tax losses may be carried forward indefinitely.

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016.

The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020.

# BLOOMBOXCLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 10 Property, plant and equipment

	Computers £
<b>Cost</b>	
Additions	2,734
At 31 August 2020	<u>2,734</u>
<b>Accumulated depreciation and impairment</b>	
Charge for the year	269
At 31 August 2020	<u>269</u>
<b>Carrying amount</b>	
At 31 August 2020	<u><u>2,465</u></u>

### 11 Inventories

	2020 £	2019 £
Finished goods	17,200	4,000
	<u>17,200</u>	<u>4,000</u>

### 12 Trade and other receivables

	2020 £	2019 £
Trade receivables	9,394	9,396
Other receivables	21,532	301
Prepayments	31,930	8,992
	<u>62,856</u>	<u>18,689</u>

These assets are held at amortised cost.

### 13 Trade receivables - credit risk

#### Fair value of trade receivables

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

No significant receivable balances are impaired at the reporting end date.

### 14 Fair value of financial liabilities

The directors consider that the carrying amounts of financial liabilities carried at amortised cost in the financial statements approximate to their fair values.

# BLOOMBOXCLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 15 Borrowings

	2020	2019
	£	£
<b>Unsecured borrowings at amortised cost</b>		
Bank loans	50,000	-
Directors' loans	89,492	109,784
Other loans	9,586	-
	<u>149,078</u>	<u>109,784</u>

#### Analysis of borrowings

Borrowings are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2020	2019
	£	£
Current liabilities	101,578	109,784
Non-current liabilities	47,500	-
	<u>149,078</u>	<u>109,784</u>

	Currency	Nominal Interest Rate	Maturity Date	Face Value	Carrying Amount
Bank Loan	GBP	4%	04/06/2026	50,000	50,000
Directors Loan	GBP	0%	-	89,492	89,492
Other Loan	GBP	46.78%	-	9,586	9,586

At the period-end the company has a £50,000 interest free loan (4% effective), repayable over 5 years, a £89,492 directors loan, with no fixed repayment date and a £9,439 revolving credit facility with 46.78% interest, with no fixed repayment date.

The Company has granted security over all of their assets to the lenders.

# BLOOMBOXCLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 16 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due.

Inherent in the company's business are various risks and uncertainties, including its limited operating history and the uncertainty and timing of expected growth.

The company's approach to managing liquidity is to ensure sufficient cash is available to meet its liabilities when due. Therefore, management closely monitors the cash position on rolling forecasts based on expected cash flow to enable the company to finance its operations for at least 12 months.

The following table details the remaining contractual maturity for the company's financial liabilities with agreed repayment periods.

	Less than 1 year £	1-5 years £	Total £
<b>At 31 August 2019</b>			
Loans	109,784	-	109,784
Trade and other payables	115,386	-	115,386
	<u>225,170</u>	<u>-</u>	<u>225,170</u>
<b>At 31 August 2020</b>			
Loans	101,431	47,500	148,931
Trade and other payables	861,438	-	861,438
	<u>962,869</u>	<u>47,500</u>	<u>1,010,369</u>

#### Liquidity risk management

Responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

# BLOOMBOXCLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 17 Market risk

#### Interest rate risk

The carrying amounts of financial liabilities and applicable interest rates at the reporting date are as follows:

	Weighted average effective interest rate	
	2020	2019
	£	£
Bank Loan - Effective Rate 4%	50,000	-
Directors Loan - Effective Rate 0%	89,492	-
Other Loan - 46.78%	9,439	-
	<u>          </u>	<u>          </u>

#### Sensitivity analysis

Whilst the company takes steps to minimise its exposure to cash flow interest rate risk, changes in interest rates will have an impact on profit.

### 18 Trade and other payables

	2020	2019
	£	£
Trade payables	143,661	80,001
Accruals	426,646	800
Social security and other taxation	208,249	20,339
Other payables	130,157	14,246
	<u>          </u>	<u>          </u>
	908,713	115,386
	<u>          </u>	<u>          </u>

During the year £192,877 (2019 - £nil) was accrued for operational support from a third party which was settled after the year-end with an issue of share capital of an equivalent value. Total value to be settled is £220,000.

Other creditors includes a loan from a director of £89,492 (2019 - £111,284), which is repayable on demand and therefore has been presented as current.

These liabilities are held at amortised cost. All trade and other payables are expected to be settled within 12 months.

### 19 Retirement benefit schemes

#### Defined contribution schemes

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

The total costs charged to income in respect of defined contribution plans is £2,655 (2019 - £868).

# BLOOMBOXCLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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<b>20 Share capital</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b><i>Issued and fully paid</i></b>		
3,189,048 Ordinary of 0.00005p each	159	147
	<u>          </u>	<u>          </u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

On 24 September 2019 the Company issued 102,251 shares for £91,503, creating a premium of £91,498 and an increase in share capital of £5.

On 28 October 2019 the Company issued 7,906 shares for £7,075, creating a premium of £7,075 and an increase in share capital of £nil.

On 5 December 2019 the Company issued 19,068 shares for £20,000, creating a premium of £19,999 and an increase in share capital of £1.

On 30 April 2020 the Company issued 114,407 shares for £120,002, creating a premium of £119,996 and an increase in share capital of £6.

The reason for these issues was to provide investment and additional working capital for the Company.

<b>21 Share premium account</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
At the beginning of the year	498,197	224,970
Issue of new shares	238,421	273,227
	<u>          </u>	<u>          </u>
At the end of the year	736,618	498,197
	<u>          </u>	<u>          </u>

<b>22 Own shares</b>	<b>£</b>
Balance at 1 September 2018	-
	<u>          </u>
Balance at 31 August 2019	-
Own shares purchased	(8)
	<u>          </u>
Balance at 31 August 2020	(8)
	<u>          </u>

On 25 July 2019 153,680 shares with a nominal value of £0.00005 each were purchased by the company.

# BLOOMBOXCLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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### 23 Other leasing information

#### Lessee

Amounts recognised in profit or loss as an expense during the period in respect of lease arrangements are as follows:

	2020 £	2019 £
Expense relating to short-term leases	28,992	24,921

Set out below are the future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities:

	2020 £	2019 £
<b>Land and buildings</b>		
Within one year	16,736	30,525
Between two and five years	-	16,736
	<u>16,736</u>	<u>47,261</u>

### 24 Capital risk management

The company is not subject to any externally imposed capital requirements.

### 25 Directors' transactions

At the balance sheet date the company owed the Director, K Gilbert, £89,492 (2019: £111,284) in respect of her Directors loan account. No interest will be due on this.

### 26 Events after the reporting date

On 6 November 2020 the entire share capital of the Company was acquired by PlantX Life Inc., a Canadian Company.

### 27 Controlling party

The ultimate controlling party during the year was K Gilbert, a director of the Company.



# BLOOMBOXCLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 28 Cash generated from/(absorbed by) operations

	2020 £	2019 £
Loss for the year after tax	(488,738)	(281,962)
<b>Adjustments for:</b>		
Finance costs	263	-
Depreciation and impairment of property, plant and equipment	269	-
<b>Movements in working capital:</b>		
Increase in inventories	(13,200)	(3,175)
Increase in trade and other receivables	(44,167)	(11,853)
Increase in trade and other payables	793,327	110,016
<b>Cash generated from/(absorbed by) operations</b>	<u>247,754</u>	<u>(186,974)</u>

### 29 Changes in liabilities arising from financing activities

	31/08/2018 £	Cash flows £	31/08/2019 £
Short-term borrowings	118,516	(8,732)	109,784
Total liabilities from financing activities	<u>118,516</u>	<u>(8,732)</u>	<u>109,784</u>
	31/08/2019 £	Cash flows £	31/08/2020 £
Long-term borrowings	-	59,586	59,586
Short-term borrowings	109,784	(20,292)	89,492
Total liabilities from financing activities	<u>109,784</u>	<u>39,294</u>	<u>149,078</u>

# BLOOMBOXCLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 30 Transition adjustments

There are no transition adjustments as a result of transitioning from Financial Reporting Standard 102 to International Financial Reporting Standards as adopted for use in the European Union, as per the below reconciliation.

#### Reconciliation of equity

	1 September 2018 £	31 August 2019 £
Equity as previously reported	(43,894)	(52,612)

#### Reconciliation of loss for the financial period

	2019 £
Loss as previously reported and after transition	(281,962)

#### Reconciliation of equity

Notes	At 1 September 2018			At 31 August 2019		
	Previously reported £	Effect of transition £	As restated £	Previously reported £	Effect of transition £	As restated £
<b>Current assets</b>						
Inventories	825	-	825	4,000	-	4,000
Bank and cash	72,331	-	72,331	149,869	-	149,869
	<u>73,156</u>	<u>-</u>	<u>73,156</u>	<u>153,869</u>	<u>-</u>	<u>153,869</u>
<b>Creditors due within one year</b>						
Borrowings	(118,516)	-	(118,516)	(109,784)	-	(109,784)
Taxation	-	-	-	(20,339)	-	(20,339)
Other payables	(5,370)	-	(5,370)	(95,047)	-	(95,047)
	<u>(123,886)</u>	<u>-</u>	<u>(123,886)</u>	<u>(225,170)</u>	<u>-</u>	<u>(225,170)</u>
Net current liabilities	(50,730)	-	(50,730)	(71,301)	-	(71,301)
Total assets less current liabilities	(50,730)	-	(50,730)	(71,301)	-	(71,301)
Net assets	<u>(50,730)</u>	<u>-</u>	<u>(50,730)</u>	<u>(71,301)</u>	<u>-</u>	<u>(71,301)</u>

# BLOOMBOXCLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 30 Transition adjustments

(Continued)

	Notes	At 1 September 2018			At 31 August 2019		
		Previously reported £	Effect of transition £	As restated £	Previously reported £	Effect of transition £	As restated £
<b>Equity</b>							
Share capital		130	-	130	147	-	147
Share premium		224,970	-	224,970	498,197	-	498,197
Profit and loss		(268,994)	-	(268,994)	(550,956)	-	(550,956)
Total equity		<u>(43,894)</u>	<u>-</u>	<u>(43,894)</u>	<u>(52,612)</u>	<u>-</u>	<u>(52,612)</u>