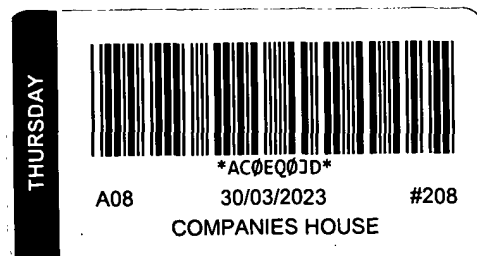


Company Registration Number: 09244666

State of Play Hospitality Limited (previously Social Entertainment Ventures Limited)

Reports and Consolidated Financial Statements

for the financial period ended 27 March 2022



State of Play Hospitality Limited

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State of Play Hospitality Limited

DIRECTORS AND OTHER INFORMATION

Directors

Toby Harris
Alan Cichon JR
Christopher Andrews
Michael Burt
Cameron Chartouni
Samer Ezzeddine (Appointed 16 February 2022)
Strahan Wilson (Appointed 27 April 2021)
Adam Breedon
Stephen Moore (Appointed 27 September 2022)

Company Secretary

Hal Management Limited

Company Registration Number

09244666

Registered Office and Business Address

7 Savoy Court
London
WC2R 0EX
United Kingdom

Independent Auditors

RSM UK Audit LLP
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Bankers

Santander UK plc
2 Triton Square
Regents Place
London
NW1 3AN

Solicitors

Harbottle & Lewis LLP
7 Savoy Court
London
WC2R 0EX

State of Play Hospitality Limited

STRATEGIC REPORT

for the financial period ended 27 March 2022

The directors present their strategic report on the group and the parent company for the financial period ended 27 March 2022.

Review of the Business

The Group changed its accounting period this year, moving from calendar months to the 4-4-5 week pattern more commonly used in the hospitality sector. This financial year covers the period ending 27 March 2022 and is compared to the 18 months ended 30 March 2021.

The year was another difficult period for the Group, with COVID-19 restrictions continuing to impact trade. The year started with both the UK and the US in lockdown and all venues closed. The business re-opened in the spring but the continuing consumer nervousness, particularly during the Omicron outbreak over our key Christmas trading period, had a significant impact on trade. As result, adjusted EBITDA was a £1.3m loss and the loss before tax £11.2m.

Despite these challenges the Group opened its new Hijingo venue (a new concept) in London and its third Flight Club in Houston, both of which are performing well. This, plus the strong underlying performance of the business, led the Group to undertake an ambitious fund raise in the year. Raising money from both new and existing shareholders, meant that by the year end £27.0m of cash had been secured with a further £8.5m raised subsequently. The funds are to be used principally to expand the Group's portfolio of experiential leisure concepts in existing and new geographies.

Principal Risks and Uncertainties

The principal risks faced by the business, both internal and external, are constantly monitored by the directors and the operational management team. As the business evolves, new risk management processes are developed to help identify, monitor and measure risks as they emerge. This ensures that the Board can undertake appropriate actions in a timely manner. The following matters are considered by the directors to be the principal risks:

COVID-19

The COVID-19 pandemic has brought significant uncertainty to the UK and US economies and to the hospitality sector in particular. Management remains alert to the ongoing uncertainty that COVID-19 presents however remains confident in the ability of the business to manage these challenges going forward.

Brand reputation and competitive environment

The consistency and quality of service and product is paramount to maintain the brands' reputation. The business runs a guest feedback programme which operational management continually review and respond to.

Recruitment and retention of key staff

As the business continues to grow it needs to ensure that it recruits and retains the right team with the appropriate skills.

The directors continue to review the Group's schemes to aid recruitment and retention and place a great emphasis on the welfare and development of all its staff. The business is committed to being an employer of choice.

Economy

As a consumer facing business, any risks to the economies in which the Group trades can impact the overall performance of the Group. The directors continue to monitor and track this and react accordingly.

Health and safety risk

Providing a safe working environment for our team and a compliant and safe venue for our guests are key priorities for the Group. The Group has comprehensive health and safety programmes and regular risk assessments, which are implemented and enforced throughout the group, and overseen by management.

Fraud risk

A risk of fraud can exist in misappropriation of assets, including theft of stock and theft of cash. The Group mitigates this risk through management structure, regular financial review with an extensive use of business systems such as point-of-sale and stock management.

Energy Cost

With the increase in energy prices the Group monitors its position to energy cost on a regular basis and has retained third party experts to help decide when to buy. The business is also committed to reducing its energy footprint as part of its ESG initiatives.

Financial risks

The Group has budgetary and financial reporting procedures, supported by appropriate key performance indicators, to manage working capital, credit, liquidity, and other financial risks.

State of Play Hospitality Limited

STRATEGIC REPORT

for the financial period ended 27 March 2022

Liquidity risk

The Group adopts a prudent approach to liquidity risk management, maintaining sufficient cash and short-term deposits and the availability of funding through an adequate amount of committed credit facilities. The Group is able to fully meet all of its obligations as they fall due.

Foreign exchange risk

The Group is exposed to foreign exchange risk which it manages by raising funds in local currency to meet the future needs of each country. As a consequence the directors do not consider the Group to be exposed to significant foreign exchange risk.

Financial Key Performance Indicators

The directors consider Adjusted EBITDA, being earnings before interest, tax, depreciation, amortisation, exceptionals and pre-opening, as more reflective of underlying business performance and is used in preference to Operating Profit. In preparing the adjusted EBITDA figure, the exceptionals used are those agreed with investors, which include Non-Executive Director fees. It should also be noted that the Adjusted EBITDA figure is prepared on a pre-determined USD/GBP exchange rate of 1.35 (2021: 1.4). A full reconciliation between the Group's operating profit before exceptionals and adjusted EBITDA is shown in note 8.

Revenue increased £5.4m in the year, driven by the two openings. Adjusted EBITDA increased £3.0m versus the prior period, but this is principally the result of the impact of COVID-19 in each of the financial periods and not reflective of the underlying strength of the business. Exceptionals were £5.6m driven principally by the pre-opening costs associated with the openings and fund raising costs.

KPIs

The KPIs during the financial period were as follows:

	2022 £	2021 £ as restated
Revenue	16,991,323	11,550,113
Gross profit	14,010,620	9,564,107
Adjusted EBITDA	(1,316,295)	(4,285,652)

Future Developments

It is the Group's intention to continue rolling out its concepts internationally. Since year-end two further Flight Clubs have opened, in Las Vegas and Atlanta. An additional £8.5m of development capital was also raised from a new investor to add to the £27.0m raised in the year.

On behalf of the board

Toby Harris

Toby Harris
Director

Date: 23/03/23

State of Play Hospitality Limited

DIRECTORS' REPORT

for the financial period ended 27 March 2022

The directors present their report and the audited financial statements for the financial period ended 27 March 2022.

Principal Activity

The principal activity of the group is the operation of social entertainment venues based in the UK and US offering a premium hospitality experience.

Results and Dividends

The loss for the financial period after providing for depreciation and taxation amounted to £(11,211,144) (2021 - £(19,661,754)).

The directors do not recommend payment of a dividend.

Directors

The directors who served during the financial period are as follows:

Toby Harris
Alan Cichon JR
Christopher Andrews
Michael Burt
Cameron Chartouni
Samer Ezzeddine (Appointed 16 February 2022)
Strahan Wilson (Appointed 27 April 2021)
Adam Breeden

Events After the End of the Reporting Period

Post the balance sheet date the Group has continued to trade well. £8.5m of development capital was raised from a new investor and the two further Flight Clubs, in Las Vegas and Atlanta, were opened.

Indemnity Insurance

Qualifying third party indemnity provisions as defined by the Companies Act 2006 were in force for the benefit of Directors throughout the period and up to the date of approval of the financial statements.

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and apply them consistently;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

State of Play Hospitality Limited

DIRECTORS' REPORT

for the financial period ended 27 March 2022

Disclosure of Information to Auditor

Each persons who are directors at the date of approval of this report confirms that:

In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditor in connection with preparing the auditor's report) of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditors

RSM UK Audit LLP, (Chartered Accountants), were appointed auditors by the directors to fill the casual vacancy and they have expressed their willingness to continue in office in accordance with the provisions of Section 485 of the Companies Act 2006.

Deloitte LLP resigned as auditors during the financial period and the directors appointed RSM UK Audit LLP, (Chartered Accountants), to fill the vacancy.

Going Concern

Going concern is discussed in more detail within the accounting policies (note 2). Given the successful fundraising during the year and post year end that significantly strengthened the balance sheet alongside the current cash position and low levels of bank debt, the directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. The directors therefore continue to adopt the going concern basis in preparing the annual financial statements.

Change of name

On 26 April 2021 the company changed its name from Social Entertainment Ventures Limited to State of Play Hospitality Limited.

Disclosures Required Under Schedule 7

The review of the business, key performance indicators, principal risks and uncertainties and future developments required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 have been included in the separate Strategic Report in accordance with section 414C (11) of the Companies Act 2006.

On behalf of the board

Toby Harris

Toby Harris
Director

Date: 23/03/23

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of State of Play Hospitality Limited

Report on the audit of the financial statements

Opinion

We have audited the group and parent company financial statements of State of Play Hospitality Limited (previously Social Entertainment Ventures Limited) and its subsidiaries ('the group') for the financial period ended 27 March 2022 which comprise the Group Income Statement, the Group Statement of Financial Position, the Company Statement of Financial Position, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and the related notes to the financial statements, including significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is applicable Law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 27 March 2022 and of the group's loss for the financial 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other Information

The other information comprises the information included in the annual report other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinion on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of State of Play Hospitality Limited

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and 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 by the parent company or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or has 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.

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

Obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
Inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
Discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements were determined as follows:

Legislation / Regulation - FRS 102 and the Companies Act 2006

Audit procedures performed by the audit engagement team included:

Review of the financial statement disclosures and testing to supporting documentation.

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of State of Play Hospitality Limited

Completion of disclosure checklists to identify areas of non-compliance.

Legislation / Regulation - Tax compliance regulations

Audit procedures performed by the audit engagement team included:

Review of corporation tax computations including review of correspondence with external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements were determined as follows:

Legislation / Regulation - Food safety and hygiene

Audit procedures performed by the audit engagement team included:

We carried out searches in respect of restaurant food hygiene ratings to identify any poorly rated sites for indication of potential breaches.

We obtained and reviewed third party audit reports in respect of hygiene regulations.

We held discussions with management and reviewed minutes to confirm whether there had been any reported significant breaches in respect of food safety and hygiene.

The audit engagement team identified the following areas where the financial statements were most susceptible to material misstatement due to fraud:

Risk - Revenue recognition

Audit procedures performed by the audit engagement team included:

Gaining an understanding of the processes and controls operated over revenue recognition and performing walkthrough tests.

Performing a 3-way match between the EPOS systems, the accounting records and cash receipts.

Reviewing the controls in place over sales to cash reconciliations.

Risk - Management override of controls

Audit procedures performed by the audit engagement team included:

Testing the appropriateness of journal entries and other adjustments.

Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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 Auditor's Report.

Use of our report

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

RSM UK Audit LLP

Paul Newman (Senior Statutory Auditor)

for and on behalf of

RSM UK AUDIT LLP

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

Date: 29/03/23

State of Play Hospitality Limited
CONSOLIDATED INCOME STATEMENT
for the financial period ended 27 March 2022

	Notes	2022 £	2021 £ as restated
Revenue	6	16,991,323	11,550,113
Cost of sales		(2,980,703)	(1,986,006)
Gross profit		14,010,620	9,564,107
Administrative expenses		(17,343,262)	(18,889,899)
Other operating income	10	239,634	2,112,475
Group operating loss before exceptional items	7	(3,093,008)	(7,213,317)
Exceptional items	9	(5,597,600)	(4,216,278)
Group operating loss		(8,690,608)	(11,429,595)
Finance income	11	10	191
Amount written off investments	12	-	(5,039,247)
Finance costs	13	(2,520,546)	(3,165,481)
Loss before taxation		(11,211,144)	(19,634,132)
Tax on loss	15	-	(27,622)
Loss after taxation		(11,211,144)	(19,661,754)
Non-controlling interests		33,537	78,734
Loss for the financial period		(11,177,607)	(19,583,020)

State of Play Hospitality Limited

Company Registration Number: 09244666

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 27 March 2022

	Notes	2022 £	2021 £ as restated
Non-Current Assets			
Intangible assets	17	1,985,701	1,638,795
Tangible assets	18	17,832,937	14,568,278
		<u>19,818,638</u>	<u>16,207,073</u>
Current Assets			
Inventories	21	326,669	198,297
Receivables	22		
- amounts falling due after more than one year		1,044,349	983,174
- amounts falling due within one year		789,969	606,307
Cash and cash equivalents	23	25,045,896	7,188,909
		<u>27,206,883</u>	<u>8,976,687</u>
Payables: amounts falling due within one year	24	<u>(7,678,507)</u>	<u>(6,149,708)</u>
Net Current Assets		<u>19,528,376</u>	<u>2,826,979</u>
Total Assets less Current Liabilities		<u>39,347,014</u>	<u>19,034,052</u>
Payables:			
amounts falling due after more than one year	25	(10,475,575)	(32,320,029)
Provisions for liabilities	26	<u>(370,608)</u>	<u>(286,662)</u>
Net Assets/(Liabilities)		<u>28,500,831</u>	<u>(13,572,639)</u>
Equity			
Called up share capital	27	11,633	1,526
Share premium account	29	55,994,161	3,101,554
Other reserves including the fair value reserve	29	2,719,323	2,337,423
Retained earnings		<u>(30,112,027)</u>	<u>(18,934,414)</u>
Equity attributable to owners of the company		<u>28,613,090</u>	<u>(13,493,911)</u>
Non-controlling interests	30	<u>(112,259)</u>	<u>(78,728)</u>
		<u>28,500,831</u>	<u>(13,572,639)</u>

Approved by the Board and authorised for issue on 23/03/23 and signed on its behalf by

Toby Harris

Toby Harris
Director

State of Play Hospitality Limited

Company Number: 09244666

COMPANY STATEMENT OF FINANCIAL POSITION

as at 27 March 2022

	Notes	2022 £	2021 £ as restated
Non-Current Assets			
Intangible assets	17	1,649,752	1,544,771
Tangible assets	18	360,646	302,071
Financial assets	19	1,272,806	1,272,605
		<u>3,283,204</u>	<u>3,119,447</u>
Current Assets			
Receivables	22		
- amounts falling due after more than one year		638,632	556,852
- amounts falling due within one year		23,975,786	15,377,115
Cash and cash equivalents	23	21,903,168	5,345,865
		<u>46,517,586</u>	<u>21,279,832</u>
Payables: Amounts falling due within one year	24	<u>(16,632,261)</u>	<u>(14,185,070)</u>
Net Current Assets		<u>29,885,325</u>	<u>7,094,762</u>
Total Assets less Current Liabilities		<u>33,168,529</u>	<u>10,214,209</u>
Payables			
Amounts falling due after more than one year	25	<u>(4,932,049)</u>	<u>(25,382,462)</u>
Net Assets/(Liabilities)		<u>28,236,480</u>	<u>(15,168,253)</u>
Equity			
Called up share capital	27	11,633	1,526
Share premium account	29	55,994,161	3,101,554
Other reserves including the fair value reserve	29	266,645	-
Retained earnings		<u>(28,035,959)</u>	<u>(18,271,333)</u>
Shareholders' Funds/(Deficit)		<u>28,236,480</u>	<u>(15,168,253)</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's loss for the year was £9,764,626 (2021: £11,825,868 loss as restated).

Approved by the Board and authorised for issue on Date: 23/03/23 and signed on its behalf by

Toby Harris

Toby Harris
Director

State of Play Hospitality Limited
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
as at 27 March 2022

	Called up share capital £	Share premium account £	Capital conversion reserve £	Retained earnings £	Merger Reserve £	Foreign Currency Translation Reserve £	Attributable to owners of parent £	Non- controlling interests £	Total £
At 1 October 2019 as previously stated	1,302	1,419,072	-	869,397	1,855,440	-	4,145,211	-	4,145,211
Prior financial period error correction (Note 16)	-	-	-	(220,785)	-	42,953	(177,832)	-	(177,832)
At 1 October 2019	1,302	1,419,072	-	648,612	1,855,440	42,953	3,967,379	-	3,967,379
Loss for the financial period	-	-	-	(19,583,020)	-	-	(19,583,020)	(78,734)	(19,661,754)
Equity-settled share-based issue of equity ordinary shares	224	1,682,482	-	-	-	-	1,682,706	-	1,682,706
Other movements in equity attributable to owners	-	-	-	(6)	-	439,030	439,024	6	439,030
At 31 March 2021	1,526	3,101,554	-	(18,934,414)	1,855,440	481,983	(13,493,911)	(78,728)	(13,572,639)
Loss for the financial period	-	-	-	(11,177,607)	-	-	(11,177,607)	(33,537)	(11,211,144)
Change in non-controlling interests arising on disposals	-	-	-	-	-	-	-	6	6
Net proceeds of equity ordinary share issue	42	99,954	-	-	-	-	99,996	-	99,996
Equity-settled share-based issue of equity ordinary shares	10,065	52,792,653	-	-	-	-	52,802,718	-	52,802,718
Other movements in equity attributable to owners	-	-	266,645	(6)	-	115,255	381,894	-	381,894
At 27 March 2022	11,633	55,994,161	266,645	(30,112,027)	1,855,440	597,238	28,613,090	(112,259)	28,500,831

State of Play Hospitality Limited

COMPANY STATEMENT OF CHANGES IN EQUITY

as at 27 March 2022

	Called up share capital £	Share premium account £	Capital conversion reserve £	Retained earnings £	Total £
At 1 October 2019 as previously stated	1,302	1,419,072	-	(6,051,721)	(4,631,347)
Prior financial period error correction (Note 16)	-	-	-	(393,744)	(393,744)
At 1 October 2019	<u>1,302</u>	<u>1,419,072</u>	<u>-</u>	<u>(6,445,465)</u>	<u>(5,025,091)</u>
Loss for the financial period	-	-	-	(11,825,868)	(11,825,868)
Equity-settled share-based issue of equity ordinary shares	224	1,682,482	-	-	1,682,706
At 31 March 2021	<u>1,526</u>	<u>3,101,554</u>	<u>-</u>	<u>(18,271,333)</u>	<u>(15,168,253)</u>
Loss for the financial period	-	-	-	(9,764,626)	(9,764,626)
Net proceeds of equity ordinary share issue	42	99,954	-	-	99,996
Equity-settled share-based issue of equity ordinary shares	10,065	52,792,653	-	-	52,802,718
Other movements in equity attributable to owners	-	-	266,645	-	266,645
At 27 March 2022	<u><u>11,633</u></u>	<u><u>55,994,161</u></u>	<u><u>266,645</u></u>	<u><u>(28,035,959)</u></u>	<u><u>28,236,480</u></u>

State of Play Hospitality Limited
CONSOLIDATED STATEMENT OF CASH FLOWS
for the financial period ended 27 March 2022

	Notes	2022 £	2021 £ as restated
Cash flows from operating activities			
Loss for the financial period		(11,211,144)	(19,661,754)
Adjustments for:			
Exceptional items	9	5,597,600	4,216,278
Finance income	11	(10)	(191)
Amount written off investments	12	-	5,039,247
Finance costs	13	2,520,546	3,165,481
Tax on loss on ordinary activities	15	-	27,622
Depreciation and Amortisation	7	2,038,737	2,408,758
Equity-settled share-based payments		6	-
Exceptional items		(3,947,563)	(4,216,278)
		<u>(5,001,828)</u>	<u>(9,020,837)</u>
Movements in working capital:			
Movement in inventories		(128,372)	(3,498)
Movement in receivables		(160,892)	538,357
Movement in payables		1,781,149	1,516,388
		<u>(3,509,943)</u>	<u>(6,969,590)</u>
Cash used in operations		(3,509,943)	(6,969,590)
Tax paid		(3,189)	(300)
		<u>(3,513,132)</u>	<u>(6,969,890)</u>
Cash flows from investing activities			
Interest received		10	191
Interest element of finance lease rental payments		-	5,798
Payments to acquire intangible assets		(472,780)	(297,803)
Payments to acquire tangible assets		(5,133,336)	(3,577,796)
		<u>(5,606,106)</u>	<u>(3,869,610)</u>
Cash flows from financing activities			
Issue of equity share capital		99,996	-
New Financing		28,366,157	24,767,022
Repayment of long term loan		(1,150,091)	(6,390,733)
Repayment of short term loan		-	(54,395)
Capital element of contracts		-	(51,216)
Foreign exchange translation		(179,541)	(18,913)
Interest paid		(160,296)	(1,681,657)
		<u>26,976,225</u>	<u>16,570,108</u>
Net cash generated from financing activities		<u>26,976,225</u>	<u>16,570,108</u>
Net increase in cash and cash equivalents		<u>17,856,987</u>	<u>5,730,608</u>
Cash and cash equivalents at beginning of financial period		<u>7,188,909</u>	<u>1,458,301</u>
Cash and cash equivalents at end of financial period	23	<u>25,045,896</u>	<u>7,188,909</u>

State of Play Hospitality Limited

NOTES TO THE FINANCIAL STATEMENTS

for the financial period ended 27 March 2022

1. General Information

State of Play Hospitality Limited (previously Social Entertainment Ventures Limited) is a company limited by shares incorporated and registered in England and Wales. The registered number of the company is 09244666. The registered office of the company is 7 Savoy Court, London, WC2R 0EX, United Kingdom which is also the principal place of business of the company. The nature of the company's operations and its principal activities are set out in the Directors' Report. The financial statements have been presented in Pound (£) which is also the functional currency of the company.

2. Summary of Significant Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements.

Statement of compliance

The financial statements of the company for the financial period ended 27 March 2022 have been prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued by the Financial Reporting Council and in accordance with the Companies Act 2006.

Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group.

The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

Revenue

Revenue is stated net of VAT. Revenue from the sale of goods is recognised when the goods are consumed by our customers. Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year.

Licensing fees

Licensing fees are payable for the operation of Flight Club in the United States and Canada to the licensor Flight Club Darts (North America) Limited, and are expensed as a percentage of turnover for the Flight Club business in that jurisdiction.

Going Concern

The consolidated financial statements have been prepared on the going concern basis notwithstanding the loss for the period of £11.1 million (2021: £19.6 million).

The Group had £25 million cash at bank at the end of the period and received a further £8.5 million in additional funding post year end. In addition, the Group had minimal bank debt (£5m), a robust balance sheet with net assets of £28.5 million and highly supportive investors having successfully raised £28 million of new equity during the period.

In assessing the ability of the Group to continue as a going concern, the directors have prepared trading and cash flow forecasts ("base case forecast") covering the going concern assessment period through to 31 March 2024 that form part of an extended business model of forecast performance out to March 2027. The performance of the business since the year end has been strong with all venues being cash generative.

State of Play Hospitality Limited

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial period ended 27 March 2022

These forecasts include significant investment in new venue build costs, to be funded by increased debt facilities.

In assessing the Group's going concern status, the directors have also considered sensitivities to the base case forecast that include the impact of a reduction in forecast sales due to the cost-of-living crisis impacting customer spend and do not consider any reasonable change in assumptions would give rise to any liquidity issues. Investment in new sites is discretionary in nature and could be slowed if funding could not be secured on acceptable terms and in the timescales envisaged. Having assessed the financial forecasts and these possible mitigating actions, the directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the next 12 months from the date of approval of these accounts. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Company statement of Comprehensive Income

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income as it prepares group accounts and the Company's individual statement of financial position shows the Company's profit or loss for the financial year.

Intangible assets

Patents

Patents are valued at cost less accumulated amortisation.

Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life of 10 years.

Work in Progress

Work in Progress is held at cost until the project is completed. Once the project is completed the cost involved in bringing the intangible asset to its present condition is transferred to the relevant intangible asset category.

Tangible assets and depreciation

Tangible assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible assets, less their estimated residual value, over their expected useful lives as follows:

Leasehold Property	-	Lease term straight-line basis
Assets under Construction	-	Assets are held at cost until project completion, at which time the assets are transferred to the relevant categories
Fixtures and fittings	-	3 to 5 years straight-line basis
Computer Equipment	-	3 years straight-line basis

The carrying values of tangible fixed assets are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Leasing and hire purchases

Tangible assets held under leasing and Hire Purchases arrangements which transfer substantially all the risks and rewards of ownership to the company are capitalised and included in the Statement of Financial Position at their cost or valuation, less depreciation. The corresponding commitments are recorded as liabilities. Payments in respect of these obligations are treated as consisting of capital and interest elements, with interest charged to the Income Statement.

Leasing

Rentals payable under operating leases are dealt with in the Income Statement as incurred over the period of the rental agreement. Rent free periods or other incentives are accounted for as a reduction to the rental income and recognised on a straight-line basis over the lease term.

Inventories

Inventories are valued at the lower of cost and net realisable value. Inventories are determined on a first-in first-out basis. Cost comprises expenditure incurred in the normal course of business in bringing inventories to their present location and condition. Net realisable value comprises actual or estimated selling price (net of trade discounts) less all further costs to completion or to be incurred in marketing and selling.

State of Play Hospitality Limited
NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 27 March 2022

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Trade and other receivables

Trade and other receivables are recognised at face value as the business has determined there are no significant provisions needed against these.

Borrowing costs

Borrowing costs relating to the acquisition of assets are capitalised at the appropriate rate by adding them to the cost of assets being acquired. Investment income earned on the temporary investment of specific borrowings pending their expenditure on the assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Provisions

Provisions are recognised when the company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the same value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Share-based payments

The Company issues equity-settled and cash-settled share-based payments to certain employees (including directors). Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, together with a corresponding increase in equity, based upon the company's estimate of the shares that will eventually vest.

Fair value is measured using the Black-Scholes Pricing Model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Where the terms of an equity-settled transaction are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled transaction is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the transaction is recognised immediately. However, if a new transaction is substituted for the cancelled transaction, and designated as a replacement transaction on the date that it is granted, the cancelled and new transactions are treated as if they were a modification of the original transaction, as described in the previous paragraph.

For cash-settled share-based payments, a liability equal to the portion of the goods and services received is recognised at the current fair value determined at each balance sheet date.

Taxation and deferred taxation

Current tax represents the amount expected to be paid or recovered in respect of taxable profits for the financial period and is calculated using the tax rates and laws that have been enacted or substantially enacted at the Statement of Financial Position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax in the future, or a right to pay less tax in the future. Timing differences are temporary differences between the company's taxable profits and its results as stated in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability

State of Play Hospitality Limited
NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 27 March 2022

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simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are anticipated to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

Employee benefits

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

Government grants

Revenue grants are credited to the Income Statement when received. Any grants related to the Coronavirus Job Retention Scheme have been treated on an accruals basis to reflect the underlying purpose of the grants.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the Statement of Financial Position date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the rates of exchange ruling at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The resulting exchange differences are dealt with in the Income Statement.

Research and development

Development expenditure is written off in the same financial period unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and valued at cost less accumulated amortisation, which is charged on a straight line basis over ten years. A portion of staff costs are capitalised for staff who work on the development of new concepts and project manage new venue openings where appropriate. Staff costs capitalised are written off over the life of the lease, or ten years from the launch date for new concept development.

Basis of consolidation

The consolidated financial statements incorporate those of State of Play Hospitality Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 27 March 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Ordinary share capital

The ordinary share capital of the Company is presented as equity.

Exceptional item

Exceptional items are those that in the directors' view are required to be separately disclosed by virtue of their size or incidence to enable a full understanding of the company's financial performance.

It is the directors' view that aborted project costs and pre-opening costs should be separated out from other exceptional items as these relate to the additional costs of opening new venues, including the re-opening the venues following the enforced closure due to the COVID-19 pandemic, and the costs incurred when potential

State of Play Hospitality Limited

NOTES TO THE FINANCIAL STATEMENTS

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for the financial period ended 27 March 2022

new venues do not meet the company's criteria to proceed to opening.

Additionally, where a specific type of exceptional expense is deemed material in either nature or cost the Directors have separated these out. This includes but is not limited to; the costs associated with fundraising, the non-cash impacts of the premium given to the existing shareholder loan notes upon conversion to the new loan notes, the cancellation of the PPP loans in the US and any other one-off items.

3. Significant accounting judgements and key sources of estimation uncertainty

In the application of the Group'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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below:

Carrying value of investments in subsidiary undertakings and loans made to subsidiary undertakings by State of Play Hospitality Limited

The directors have reviewed the carrying value of the Company's initial investment and the loans made to subsidiary undertakings. Based on forecasted trading results and cash flow projections, the directors consider that there is no impairment required.

Carrying value of tangible fixed assets

The Group considers annually whether there are any indicators of impairment regarding the carrying value of its tangible fixed assets. Where there are indicators, the directors use impairment models with detailed cash flow forecasts to determine the recoverable amounts of the cash generating units. This has been calculated using the higher of the value in use and the asset's fair value less costs to sell.

Taxation

Management estimation is required to determine the amount of deferred tax assets that can be recognised based upon likely timing and level of future profits.

4. Period of financial statements

The financial statements are for the period ended 27 March 2022.

The comparative figures relate to the 18 month period ended 30 March 2021.

5. Group Company Exemptions Claimed

The company utilises the exemption contained in FRS102 (section 33) and does not make disclosures concerning transactions with entities that are wholly within the group.

State of Play Hospitality Limited
NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 27 March 2022

continued

6. Revenue

The revenue for the financial period is analysed as follows:

	2022 £	2021 £ as restated
By Category:		
Food and beverage sales	12,967,208	9,133,407
Other services provided by venues	4,024,115	2,247,706
Management fee income	-	169,000
	<u>16,991,323</u>	<u>11,550,113</u>
By Geographical market:		
United Kingdom	9,481,558	5,416,458
United States	7,509,765	6,133,655
	<u>16,991,323</u>	<u>11,550,113</u>

Management fee income relates to the fees received from Puttshack Limited for the management of their venue in London. The management agreement with Puttshack ended in 2020 and as such no future management fee income is expected.

Revenue attributable to geographical markets outside the United Kingdom amounted to 44% for the financial period.

7. Operating loss before exceptional items

	2022 £	2021 £ as restated
Operating loss before exceptional items is stated after charging/(crediting):		
Amortisation and impairments of intangible assets	154,686	35,846
Depreciation of tangible assets	1,884,051	2,372,912
(Profit)/loss on foreign currencies	(882,945)	479,844
Operating lease rentals		
- Plant and machinery	24,016	22,039
- Land and buildings	2,081,505	2,548,668
Auditor's remuneration		
- audit services	125,000	112,350
Government grants received	(44,599)	(2,112,475)

The current year Auditors, RSM UK LLP, also received £98,000 in connection with completing the due diligence for the groups fundraise, which is contained within the exceptional items.

State of Play Hospitality Limited
NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 27 March 2022

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8. Adjusted EBITDA reconciliation

The directors consider Adjusted EBITDA, being earnings before interest, tax, depreciation, amortisation, exceptionals and pre-opening, as more reflective of underlying business performance and is used in preference to Operating Profit.

	2022 £	2021 £ as restated
Operating loss before exceptional items	(3,093,009)	(7,213,317)
Amortisation	154,686	35,846
Depreciation	1,884,051	2,372,912
Director fees	28,000	49,750
Foreign currency adjustment	(290,023)	469,158
	<u>(1,316,295)</u>	<u>(4,285,651)</u>

The Foreign Currency adjustment reflects the director's agreement with shareholders to use a fixed exchange rate during the financial period to exclude the impact of currency exchange rate movements on the underlying business performance. In the current period the agreed rate was 1.35 (2021: 1.40).

9. Exceptional items

	2022 £	2021 £ as restated
One-Off Items	823,226	-
Fundraising Costs	(3,289,874)	(1,423,651)
Pre-opening and aborted project costs	(986,304)	(2,279,498)
Other exceptional expenses	(494,611)	(513,129)
Forgiveness of PPP loans	1,838,861	-
Loss on conversion of loans	(3,488,898)	-
	<u>(5,597,600)</u>	<u>(4,216,278)</u>

One-Off Items

Due to the COVID-19 pandemic, in prior years the company took a prudent view on the expenses that should be accrued for. Following the improved trading performance and economic conditions following the end of the pandemic, the directors have re-evaluated the accrual position and have made appropriate adjustments in the current year. The directors anticipate this being a one-off event and as such have determined the write back as an exceptional item.

Other exceptional expenses

Other exceptional expenses is made up of various smaller exceptional expenses, including redundancies stemming from the COVID-19 pandemic, that the Directors have deemed immaterial in both nature and size.

Fundraising Costs

During the year the company raised £27.0m of new capital, as such there was fundraising costs attributed to this. It is the Directors opinion that these costs are exceptional in both nature and value, hence they have been disclosed separately to other exceptional expenses.

Loss on conversion of loans

The loss on conversion of the existing convertible loan notes into the new convertible loan notes represents the premium given to existing convertible loan note holders upon conversion.

Forgiveness of PPP loan

The forgiveness of PPP loans represents the forgiveness of the government loans due to the group meeting the requirements set out by the US government.

State of Play Hospitality Limited
NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 27 March 2022

continued

10. Other operating income	2022	2021
	£	£
Government grants	44,599	2,112,475
Other Operating income	195,035	-
	239,634	2,112,475

In the current period government grants of £44,599 (2021: £2,112,476) were received as part of a Government initiative to provide immediate financial support as a result of enforced closures due to COVID-19. There are no future related costs in respect of these grants which were received solely as compensation for costs incurred in the year.

11. Finance income	2022	2021
	£	£
		as restated
Bank interest	10	191

12. Amount written off investments	2022	2021
	£	£
		as restated
Amounts written off non-current assets investments:		
- Puttshack investment write off	-	5,039,247

13. Finance costs	2022	2021
	£	£
		as restated
On bank loans and overdrafts	2,520,546	3,171,279
Hire purchase interest	-	(5,798)
	2,520,546	3,165,481

State of Play Hospitality Limited
NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 27 March 2022

continued

14. Employees and remuneration

Group

Number of employees

The average number of persons employed (including executive directors) during the financial period was as follows:

	2022	2021
	Number	Number
Production	303	102
Directors	3	7
	306	109

The staff costs (inclusive of directors' salaries) comprise:

	2022	2021
	£	£
Wages and salaries	7,074,886	5,661,214
Social security costs	756,439	734,259
Pension costs	46,068	136,846
	7,877,393	6,532,319

Company

Number of employees

The average number of persons employed (including executive directors) during the financial period was as follows:

	2022	2021
	Number	Number
Production	18	24
Directors	2	2
	20	26

The staff costs (inclusive of directors' salaries) comprise:

	2022	2021
	£	£
Wages and salaries	1,334,937	1,289,860
Social security costs	140,419	168,236
Pension costs	14,200	42,218
	1,489,556	1,500,314

The staff costs incurred in relation to State of Play Hospitality Limited relate to employees employed by a subsidiary company but who work solely for the head office and whose costs are 100% recharged to State of Play Hospitality Limited.

State of Play Hospitality Limited
NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 27 March 2022

continued

15. Tax on loss

	2022 £	2021 £ as restated
(a) Analysis of charge in the financial period		
Current tax:		
Under/over provision in prior financial period	-	506
Deferred tax:		
Origination and reversal of timing differences	(5,001)	(1,219)
Effect of increased tax rate on opening liability	88,947	17,694
Deferred tax asset recognised in respect of reclaimable losses	(83,946)	10,641
Total deferred tax (Note 22)	-	27,116
Tax on profit (Note 15 (b))	-	27,622

(b) Factors affecting tax charge for the financial period

The tax assessed for the financial period differs from the standard rate of corporation tax in the United Kingdom 19.00% (2021 - 19.00%). The differences are explained below:

	2022 £	2021 £ as restated
Loss taxable at 19.00%	(11,211,144)	(19,634,132)
Loss before tax		
multiplied by the standard rate of corporation tax		
in the United Kingdom at 19.00% (2021 - 19.00%)	(2,130,117)	(3,730,485)
Effects of:		
Expenses not deductible for tax purposes	1,640,579	1,845,762
Depreciation in excess of capital allowances for period	46,421	1,795
Deferred tax	-	27,116
Deferred tax not provided for	751,739	1,882,928
Affects of US tax rate differences	(308,622)	-
Adjustment to tax charge in respect of previous periods	-	506
Total tax charge for the financial period (Note 15 (a))	-	27,622

The group have accumulated tax losses of circa £14.7m (2021: £12.3m) which are considered available to carry forward for offset against future trading profits. A potential deferred tax asset of £4.4m has not been recognised in respect of these losses due to uncertainty around the timing of possible utilisation in the foreseeable future.

(c) Factors that may affect future tax charges

The 2021 Finance Bill that the UK corporation tax rate is to increase to 25% for periods from 1 April 2023. As this change was not substantively enacted by the year-end date, it is not appropriate to reflect the impact of this change in these financial statements.

This rate increase has been reflected in the calculation of deferred tax at the balance sheet date.

State of Play Hospitality Limited

NOTES TO THE FINANCIAL STATEMENTS

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for the financial period ended 27 March 2022

16. Prior period adjustments

During the year a review of the Group's financial policies was undertaken, the outcome of which has resulted in the following prior period restatements:

A loan from a landlord in Bounce Ping Pong Limited, who is also the council, had been reclassified from government grant to loan. Restating the balance resulted in a reduction in administrative expenses of £56,933 and an increase in finance costs of £41,826. Balance sheet liabilities increased by £59,324.

The rent free period in Hijingo Worship Street Limited has been recognised. The adjustment resulted in a reduction in administrative expenses of £9,479 and an increase in pre-opening and aborted project costs of £101,274. Balance sheet liabilities increased by £195,388.

The 11% (2021: 6%) minority interest in Hijingo Worship Street Limited has been recognised. The adjustment resulted in the recognition of a non-controlling interest share of loss of £78,734 and a corresponding reduction in loss attributable to the owners of the company of £78,734.

The gain/loss on translation of the US entities into GBP was being combined with retained earnings, rather than being treated as a separate reserve, and foreign exchange gain/loss on intercompany and other foreign exchange expenses were recognised within the foreign exchange translation reserve rather than an administrative expense. The adjustment resulted in a £535,251 increase in administrative expenses, a £66,094 increase in exceptional expenses. On the balance sheet liabilities have reduced by £58,770 and brought forward equity increased by £527,928.

Reclassification

To more appropriately align with management reporting there have been some reclassifications, however these have a net nil impact on the loss and net liability figures as previously reported.

Changes to the financial statements

Group	As previously reported £	Reclass £	Adjustment £	Restated £
Income Statement				
Revenue	11,958,699	(408,586)	-	11,550,113
Cost of Sales	(2,050,092)	64,086	-	(1,986,006)
Gross Profit	9,908,607	(344,500)	-	9,564,107
Administrative expenses	(27,641,404)	9,220,346	(468,841)	(18,889,899)
Other Operating Income	1,767,975	344,500	-	2,112,475
Exceptional Items	-	(4,181,098)	(35,180)	(4,216,278)
Operating loss	(15,964,822)	5,039,248	(504,021)	(11,429,595)
Finance income	-	191	-	191
Amount written off investments	-	(5,039,247)	-	(5,039,247)
Finance costs	(3,123,465)	(192)	(41,824)	(3,165,481)
Loss after taxation	(19,115,909)	-	(545,845)	(19,661,754)
Non controlling interest	-	-	78,734	78,734
Loss for financial period	(19,115,909)	-	(467,111)	(19,583,020)
Statement of Financial Position				
Current Liabilities				
Shareholder convertible loan notes, landlord and other loans	(2,930,889)	2,771,603	(136,713)	(295,999)
Accrued expenditure	(2,645,201)	(19,228)	124,205	(2,540,224)
Taxation and social security costs	(1,379,751)	199,011	-	(1,180,740)
Other Creditors	(1,731,362)	1,507,000	-	(224,362)
Non - Current Liabilities				
Bank loans	(1,454,008)	(2,999,998)	-	(4,454,006)
Shareholder convertible loan notes, landlord and other loans	(26,224,201)	228,394	172	(25,995,635)
Accrued expenditure	-	(1,686,782)	(183,606)	(1,870,388)
Net Assets/(Liabilities)	(13,376,697)	-	(195,942)	(13,572,639)

State of Play Hospitality Limited
NOTES TO THE FINANCIAL STATEMENTS

for the financial period ended 27 March 2022

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Equity

Retained Earnings

Brought forward	869,397	-	(220,785)	648,612
Loss for the financial period	(19,115,909)	-	(467,111)	(19,583,020)
Exchange difference on net assets of subsidiaries	(88,706)	-	88,706	-
Other movements in equity	1	-	(7)	(6)
Closing	(18,335,217)	-	(599,197)	(18,934,414)

Foreign currency translation reserve

Brought forward	-	-	42,953	42,953
Other movements in equity attributable to owners	-	-	439,030	439,030
Closing	-	-	481,983	481,983
Attributable to owners of parent	(13,376,697)	-	(117,214)	(13,493,911)

Non-controlling interests

Loss for the financial period	-	-	(78,734)	(78,734)
Other movements in equity	-	-	6	6
Closing	-	-	(78,728)	(78,728)
Total Equity	(13,376,697)	-	(195,942)	(13,572,639)

Company	As previously reported £	Reclass £	Adjustment £	Restated £
Loss for financial period	(12,278,476)	-	452,608	(11,825,868)
Non - Current Assets				
Financial assets	1,272,409	196	-	1,272,605
Current Liabilities				
Amounts owed to group undertakings	(12,529,612)	(101)	-	(12,529,713)
Accrued expenditure	(292,314)	(4,600)	-	(296,914)
Taxation and social security costs	(407,338)	(73)	-	(407,411)
Other Creditors	(58,213)	20,311	-	(37,902)
Non - Current Liabilities				
Bank loans	(1,454,008)	(2,999,998)	-	(4,454,006)
Shareholder convertible loan notes, landlord and other loans	(23,971,585)	2,999,906	58,864	(20,912,815)
Accrued expenditure	-	(15,641)	-	(15,641)
Net Assets/(Liabilities)	(15,227,117)	-	58,864	(15,168,253)

Equity

Retained Earnings

Brought forward	(6,051,721)	-	(393,744)	(6,445,465)
Loss for the financial period	(12,278,476)	-	452,608	(11,825,868)
Closing	(18,330,197)	-	58,864	(18,271,333)
Total Equity	(15,227,117)	-	58,864	(15,168,253)

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NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 27 March 2022

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17. Intangible assets
Group

	Patents	Work in Development	Costs	Total
	£	Progress	£	£
		£		
Cost				
At 31 March 2021	141,568	-	1,607,226	1,748,794
Additions	-	185,016	287,764	472,780
Transfers	15,399	16,758	(5,497)	26,660
Foreign currency exchange difference	-	-	2,152	2,152
At 27 March 2022	156,967	201,774	1,891,645	2,250,386
Amortisation				
At 31 March 2021	50,203	-	59,796	109,999
Charge for financial period	15,850	-	138,836	154,686
At 27 March 2022	66,053	-	198,632	264,685
Carrying amount				
At 27 March 2022	90,914	201,774	1,693,013	1,985,701
At 30 March 2021	91,365	-	1,547,430	1,638,795

Company

	Patents	Work in Development	Costs	Total
	£	Progress	£	£
		£		
Cost				
At 31 March 2021	93,305	-	1,524,112	1,617,417
Additions	-	179,031	41,706	220,737
Transfers	(23,036)	16,758	32,787	26,509
At 27 March 2022	70,269	195,789	1,598,605	1,864,663
Amortisation				
At 31 March 2021	9,725	-	62,921	72,646
Charge for financial period	7,441	-	134,824	142,265
At 27 March 2022	17,166	-	197,745	214,911
Carrying amount				
At 27 March 2022	53,103	195,789	1,400,860	1,649,752
At 30 March 2021	83,580	-	1,461,191	1,544,771

State of Play Hospitality Limited
NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 27 March 2022

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18. Tangible assets Group

	Leasehold Assets under Property Construction		Fixtures and fittings	Computer Equipment	Total
	£	£	£	£	£
Cost					
At 31 March 2021	16,600,411	-	3,602,642	1,601,196	21,804,249
Additions	380,956	4,500,315	181,459	70,606	5,133,336
Transfers	2,516,781	(3,080,574)	439,369	81,953	(42,471)
Write Offs	-	(226,349)	-	-	(226,349)
Foreign currency exchange differences	399,918	(1,035)	19,492	23,450	441,825
At 27 March 2022	19,898,066	1,192,357	4,242,962	1,777,205	27,110,590
Depreciation					
At 1 April 2021	4,170,279	-	1,931,953	1,133,739	7,235,971
Charge for the financial period	1,258,844	-	448,482	176,725	1,884,051
Transfers	-	-	(2)	(15,809)	(15,811)
Foreign currency exchange differences	107,837	-	47,987	17,618	173,442
At 27 March 2022	5,536,960	-	2,428,420	1,312,273	9,277,653
Carrying amount					
At 27 March 2022	<u>14,361,106</u>	<u>1,192,357</u>	<u>1,814,542</u>	<u>464,932</u>	<u>17,832,937</u>
At 31 March 2021	<u>12,430,132</u>	<u>-</u>	<u>1,670,689</u>	<u>467,457</u>	<u>14,568,278</u>

Company

	Leasehold Assets under Property Construction		Fixtures and fittings	Computer Equipment	Total
	£	£	£	£	£
Cost or Valuation					
At 31 March 2021	347,406	-	66,008	606,748	1,020,162
Additions	10,000	128,030	5,855	11,005	154,890
Transfers	-	36,173	-	(78,491)	(42,318)
At 27 March 2022	357,406	164,203	71,863	539,262	1,132,734
Depreciation					
At 1 April 2021	163,893	-	43,108	511,090	718,091
Charge for the financial period	28,185	-	11,106	30,515	69,806
Transfers	-	-	-	(15,809)	(15,809)
At 27 March 2022	192,078	-	54,214	525,796	772,088
Carrying amount					
At 27 March 2022	<u>165,328</u>	<u>164,203</u>	<u>17,649</u>	<u>13,466</u>	<u>360,646</u>
At 30 March 2021	<u>183,513</u>	<u>-</u>	<u>22,900</u>	<u>95,658</u>	<u>302,071</u>

State of Play Hospitality Limited
NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 27 March 2022

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19. Financial fixed assets
Company

	Subsidiary undertakings shares	Total
	£	£
Investments		
Cost		
At 31 March 2021	1,272,605	1,272,605
Additions	201	201
	<u>1,272,806</u>	<u>1,272,806</u>
At 27 March 2022	1,272,806	1,272,806
Carrying amount		
At 27 March 2022	<u><u>1,272,806</u></u>	<u><u>1,272,806</u></u>
At 30 March 2021	<u><u>1,272,605</u></u>	<u><u>1,272,605</u></u>

20. Principal group investments

The parent Company and the Group have investments in the following subsidiary undertakings which principally affected the profits or net assets of the group:

	Country	Principal activity	Class of share	%
Bounce Ping Pong Limited (formerly Bounce Shoreditch Limited)	UK	Bar/leisure	Ordinary	100.0%
Bounce Old Street Limited (formerly Bounce Leisure Limited)	UK	Bar/leisure	Ordinary	100.0%
Hijingo Worship Street Limited (formerly State of Play (Bingo) Limited)	UK	Bar/leisure	Ordinary	89.0%
State of Play International Limited	UK	Dormant	Ordinary	100.0%
Bounce Farringdon Ltd (formerly AceBounce Limited)	UK	Dormant	Ordinary	100.0%
Bounce Battersea Limited (formerly Bounce (West London) Limited)	UK	Dormant	Ordinary	100.0%
Bounce Shepherds Bush Limited	UK	Dormant	Ordinary	100.0%
Bounce Ping Pong Venues Limited	UK	Dormant	Ordinary	100.0%
Hijingo Ltd (formerly Hijingo Worship Street Ltd)	UK	Dormant	Ordinary	100.0%
Bounce Ping Pong Inc	USA	Holding co.	Ordinary	100.0%
Flight Club US Inc	USA	Holding co.	Ordinary	100.0%
Bounce Chicago LLC	USA	Bar/leisure	Ordinary	100.0%
Flight Club Wacker LLC	USA	Bar/leisure	Ordinary	100.0%
Flight Club Seaport LLC	USA	Bar/leisure	Ordinary	100.0%

UK investments have the same registered address as the Company. USA companies have the following registered address: 150 N Wacker DR STE 1400, Chicago, IL 60606-1634.

21. Inventories

	2022 £	2021 £
Group		
Consumables	<u><u>326,669</u></u>	<u><u>198,297</u></u>

The replacement cost of stock did not differ significantly from the figures shown.

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NOTES TO THE FINANCIAL STATEMENTS
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22. Receivables	2022	2021
	£	£
		as restated
Group		
Trade receivables	23,139	2,254
Rent Deposits and Other Debtors	1,048,020	1,075,857
Deferred tax asset	370,607	286,662
Directors' current accounts (Note 33)	140	416
Prepayments and accrued income	392,412	224,292
	<u>1,834,318</u>	<u>1,589,481</u>

Amounts falling due after more than one year and included in receivables are:

	2022	2021
	£	£
Rent Deposits and Other Debtors	<u>1,044,349</u>	<u>983,174</u>

	2022	2021
	£	£
		as restated
Company		
Trade receivables	2,677	1,594
Amounts owed by group undertakings	23,277,548	14,961,690
Rent Deposits and Other Debtors	641,457	884,940
Deferred tax asset	370,608	-
Directors' current accounts (Note 33)	-	1,799
Taxation	251,129	34,497
Prepayments and accrued income	70,999	49,447
	<u>24,614,418</u>	<u>15,933,967</u>

The 2021 comparatives incorporate certain reclassifications within receivables in order to ensure consistency in disclosure year on year.

Amounts owed by group undertakings in the United States are subject to an interest charge of 5% per annum. Amounts owed by group undertakings in the United Kingdom are not subject to an interest charge. All intra-group loans are unsecured and repayable on demand.

Amounts falling due after more than one year and included in receivables are:

	2022	2021
	£	£
Rent Deposits and Other Debtors	<u>638,632</u>	<u>556,852</u>

23. Cash and cash equivalents	2022	2021
	£	£
Cash and bank balances	24,659,458	7,144,752
Cash equivalents	386,438	44,157
	<u>25,045,896</u>	<u>7,188,909</u>

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NOTES TO THE FINANCIAL STATEMENTS
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24. Payables	2022	2021
Amounts falling due within one year	£	£ as restated
Group		
Bank loan	529,901	600,000
Shareholder convertible loan notes, landlord and other loans	511,580	295,999
Trade payables	2,200,670	1,308,383
Taxation and social security costs	687,448	1,180,740
Other creditors	461,971	224,362
Accruals and deferred income	3,286,937	2,540,224
	<u>7,678,507</u>	<u>6,149,708</u>

Amounts falling due within one year	2022	2021
	£	£ as restated
Company		
Bank loan	529,901	600,000
Trade payables	470,008	313,130
Amounts owed to group undertakings	14,515,176	12,529,713
Taxation social security	181,219	407,411
Other creditors	-	37,902
Accruals and deferred income	935,957	296,914
	<u>16,632,261</u>	<u>14,185,070</u>

The bank loans are secured by a fixed and floating charge over the company.

Amounts owed to Group companies are unsecured and non-interest bearing.

25. Payables	2022	2021
Amounts falling due after more than one year	£	£ as restated
Group		
Bank loans	4,648,427	4,454,006
Shareholder convertible loan notes, landlord and other loans	3,562,118	25,995,635
Accrued expenditure	2,265,030	1,870,388
	<u>10,475,575</u>	<u>32,320,029</u>
Loans		
Repayable in one year or less, or on demand (Note 24)	1,041,481	895,999
Repayable between one and two years	4,442,605	3,455,889
Repayable between two and five years	1,480,236	25,379,465
Repayable in five years or more	2,287,704	1,614,287
	<u>9,252,026</u>	<u>31,345,640</u>

Landlord loans are interest free and repayable over the life of the lease on a straight line basis.

Convertible loan notes

The convertible loan notes from pre 2022 were all converted, at a premium of £4.4m (total notional value of £26.7m), into the new 2022 loan notes with the company on 28 January 2022. Additionally, £27 million was raised by issuing new convertible loan notes on 28 January 2022, giving a total notional value of £53.7m. The Company then converted 99% of the outstanding loan notes (£53.2m) into 857,854 A1 Ordinary shares and 148,605 A2 ordinary shares. The remaining £535,551 of convertible loans can be converted, at par, into

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ordinary shares, upon the Group meeting certain performance conditions by 2027. The directors have determined that the fair value of the loan notes are £268,906. The convertible loan notes are denominated in both pounds sterling and US dollars.

Bank loans

The Group has two bank loans which have the following conditions:

- The first bank loan has an interest rate of LIBOR plus 5% and is due for full repayment (£2.2m) in March 2023. Interest payments have been capitalised until the year end, but have since been paid on a quarterly basis.
 - The second bank loan has an interest rate of LIBOR plus 3.8% and is due to be repaid in 6 equal £500k instalments starting March 2023. Interest payments are being paid quarterly.
- All bank loans are denominated in pound sterling.

	2022 £	2021 £ as restated
Amounts falling due after more than one year		
Company		
Bank loans	4,648,427	4,454,006
Shareholder convertible loan notes, landlord and other loans	268,906	20,912,815
Accrued expenditure	14,716	15,641
	<u>4,932,049</u>	<u>25,382,462</u>
Loans		
Repayable in one year or less, or on demand (Note 24)	529,901	600,000
Repayable between one and two years	2,648,427	3,240,512
Repayable between two and five years	2,000,000	21,573,580
Repayable in five years or more	268,906	552,729
	<u>5,447,234</u>	<u>25,966,821</u>

The Company has a carrying balance of £268,906 in relation to convertible loans with a face value of £535,551 which the company can redeem upon meeting certain performance conditions by in 2027.

26. Provisions for liabilities

Group

The amounts provided for deferred taxation are analysed below:

	Capital allowances	Total	Total
	£	2022 £	2021 £
At financial period start	286,662	286,662	270,187
Charged to profit and loss	83,946	83,946	16,475
At financial period end	<u>370,608</u>	<u>370,608</u>	<u>286,662</u>

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27. Share capital			2022 £	2021 £
Description	Number of shares	Value of units		
Allotted, called up and fully paid				
Ordinary A1 Shares	857,854	£0.01 each	8,579	-
Ordinary A2 Shares	148,605	£0.01 each	1,486	-
Ordinary B Shares	151,833	£0.01 each	1,518	-
Ordinary C shares	5,000	£0.01 each	50	-
Ordinary Shares	-	£0.01 each	-	1,468
Ordinary U Shares	-	£0.05 each	-	50
Ordinary E Shares	-	£0.01 each	-	8
			11,633	1,526

C, E and U ordinary shares have no voting rights or right to dividends or on winding up. A1, A2, B, C and U shares have distribution rights under a share transaction if certain hurdles are met, with preference broadly in that order.

Shares were issued during the year as a result of the conversion of the 2022 loan notes into A1 and A2 ordinary shares. Additionally, some employee share scheme options were exercised in the period.

28. Share-based payments

Equity-settled share-based payments

The Company has a share option scheme for specific employees (including directors). Options are exercisable at a price equal to or greater than the average market price of the Company's shares on the date of grant.

Options are forfeited if the employee leaves the company before the options vest.

Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the financial period are as follows:

	2022 Number	WAEP £	2021 Number	WAEP £
Outstanding at the beginning of the financial period	4,226	23.66	2,540	15.47
Granted during the financial period	671	36.00	1,856	36.00
Forfeited during the financial period	-	0.00	(170)	36.00
Exercised during the financial period	(4,226)	23.66	-	0.00
Outstanding at the end of the financial period	671	36.00	4,226	23.66
Exercisable at the end of the financial period	671	36.00	4,226	23.66

In the financial period ended 27 March 2022, options were granted on the 25 May 2021. The estimated fair value of the options granted on those dates was not material. In the prior period options were granted on 16 December 2020. The estimated fair values of the options granted on those dates were £nil respectively.

In addition to the employee share options, in the financial year the company made share based payments to creditors in the process of converting loan notes into Equity shares.

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for the financial period ended 27 March 2022

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29. Reserves

Share Premium Reserve

The amount carried forward is the premium that arose from prior issues of shares.

Further share premium has been generated in the past two years as a result of the conversion of loan notes into equity shares at a premium to the nominal value of the shares.

Capital Conversion Reserve

The capital conversion reserve is generated in relation to the convertible premium arising due to the convertible loan notes issues in January 2022.

Merger Reserve

The merger reserve was created as a result of a previous share for share exchange that resulted in a subsidiary company having externally generated share premium, which has been accounted for under merger accounting as per FRS102.

Foreign Currency Translation Reserve

The foreign currency translation reserve is created by the different exchange rates that are used to convert the assets and income of subsidiaries who's functional currency differs to that of the parent.

Retained Earnings

Retained earnings represents cumulative profit and loss net of distributions to owners.

30. Non-controlling interests	2022	2021
	£	£
		as restated
Balance at start of financial period	(78,728)	-
Share of profit for the financial period	(33,537)	(78,728)
Increase on disposal of interest in subsidiaries	6	-
Balance at end of financial period	<u>(112,259)</u>	<u>(78,728)</u>

31. Financial commitments
Group

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and Buildings	
	2022	2021
	£	£
		as restated
Due:		
Within one year	2,136,329	2,219,724
Between one and five years	8,325,629	9,193,306
In over five years	16,588,513	18,505,258
	<u>27,050,471</u>	<u>29,918,288</u>

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continued

Company

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings	
	2022	2021
	£	£
		as restated
Due:		
Within one year	77,548	77,548
Between one and five years	184,674	256,548
	262,222	334,096

The 2021 disclosures above have been restated to reflect the correct position.

32. Capital commitments
Group

The Group had no material capital commitments at the financial period-ended 27 March 2022.

Company

The Company had no material capital commitments at the financial period-ended 27 March 2022.

33. Directors' remuneration and transactions

	2022	2021
	£	£
Directors' remuneration		
Fees	28,000	49,750
Remuneration	861,919	709,191
	889,919	758,941
Highest Paid Director	£	£
Salary and other emoluments	244,873	255,951
Bonus paid	150,000	150,000
Amounts included above:		
Emoluments and other benefits	394,873	405,951

The highest paid director exercised share options.

The above directors are also considered to be key management personnel.

34. Related party transactions

The company has availed of the exemption under FRS 102 in relation to the disclosure of transactions with group undertakings.

During the period Breeden Holdings, a company in which Adam Breeden was also a director, provided consulting services to the group amounting to £34,583 (2021: £Nil).

During the period convertible loan notes with a face value of £19.1m, owned by shareholders/directors, were converted into ordinary shares. As a result of this shareholders/directors held an interest in loan notes amounting to principal of £535,551 (2021: £19.6m) and accrued interest of £nil (2021: £1.3m) at the balance sheet date.

35. Controlling interest

The directors confirm there is no ultimate controlling party given the shareholding of the company.

State of Play Hospitality Limited
NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 27 March 2022

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36. Events After the End of the Reporting Period

Post the balance sheet date £8.5m of development capital was raised. The funds are to be used principally to expand the Group's portfolio of experiential leisure concepts in both existing and new geographies.

37 Reconciliation of Net Cash Flow to Movement in Net Debt

	Opening Balance as restated £	Cash flows £	Other changes £	Closing balance £
Long-term borrowings	(30,449,641)	(27,216,066)	49,455,162	(8,210,545)
Short-term borrowings	(895,999)	-	(145,482)	(1,041,481)
Total liabilities from financing activities	(31,345,640)	(27,216,066)	49,309,680	(9,252,026)
Total Cash and cash equivalents (Note 23)				25,045,896
Total net cash				15,793,870