

REGISTERED NUMBER: 09875975 (England and Wales)

Puttshack Limited

Annual Report and Consolidated Financial Statements

For the Year Ended 31 December 2022

SATURDAY



ACA8ZXB5

A11

19/08/2023

#5

COMPANIES HOUSE

	Page
Company Information	1
Strategic Report	2
Directors' Report	5
Independent Auditor's Report to the Members of Puttshack Limited	8
Consolidated Profit and Loss Account	11
Consolidated Balance Sheet	12
Company Balance Sheet	13
Consolidated Statement of Changes in Equity	14
Company Statement of Changes in Equity	15
Consolidated Cash Flow Statement	16
Notes to the Consolidated Financial Statements	17

Puttshack Limited

Company Information for the Year Ended 31 December 2022

Directors: C J F Andrews (resigned 30 June 2023)
A M Breeden (resigned 30 June 2023)
M W Burt (resigned 30 June 2023)
D N Diamond (resigned 30 June 2023)
F T Gadams (resigned 30 June 2023)
P C M Guertler (appointed 15 March 2022) (resigned 30 June 2023)
S P Jolliffe (resigned 30 June 2023)
L G Powell
J R Rodriguez (resigned 30 June 2023)
D Sheffer (resigned 30 June 2023)
J Vrankin
S Walmesley (resigned 30 June 2023)

Secretary: HAL Management Limited

Registered office: 7 Savoy Court London WC2R 0EX
United Kingdom

Registered number: 09875975 (England and Wales)

Auditor: Deloitte LLP
Statutory Auditor
2 New Street Square
London
EC4A 3BZ
United Kingdom

Puttshack Limited

Strategic Report for the Year Ended 31 December 2022

The directors present their Strategic Report for Puttshack Limited (the 'Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022.

Principal activity and business review

The principal activity of the Group and the Company is offering a premium hospitality experience and service driven through the business's patented bespoke technologically enhanced mini golf experience.

The financial key performance indicators of the Group and the Company, at their present growth phase, have been identified and analysed as Revenue and Operating Profit or Loss. The Group's turnover for the year was £55.4m (2021: £21.2m). This increase in revenue was the result of annualised increases in revenue from prior year openings in the US and UK and opening 3 new US venues at locations in Boston, Miami, and St Louis, reflecting the new global strategy that developed during 2021.

During 2021 the Group was able to restructure its venue rollout strategy in conjunction with converting 99% of the business's previous convertible Loan Note raise ('CLN') to preferred Equity. This conversion of debt to equity allowed the Directors to target a specific growth facility in the form of debt funding during 2022.

Prior to the successful closing of a \$150m debt facility, with funds managed by BlackRock, the balancing 1% of the previous CLN converted in Q4 2022.

The business drew \$30m from the facility in October of 2022, and an additional \$60m during Q1 and Q2 2023.

Both UK and US inflation have driven cost and pricing decisions to be made during the year to protect the business's brand and value appeal and manage conversions needed from revenues garnered. In the UK, inflation has been a significant factor in the cost-of-living scenario the country is currently experiencing. The UK business is holding firm with these cost-of-living impacts and their direct impacts on the hospitality market. With the expansion in the US, UK specific economic impacts are mitigated, and group trading remained robust.

Inflationary exposure in the US impacting build-related expenditure has been mitigated, as business's financial planning utilised inflation rates well above current levels and accommodated the cost increases in timber and steel commodities.

2022 produced an increase in loss for the financial year to £12.4m (2021: loss of £9.4m), driven by site pre-opening expense in the US and the planned and required infrastructure cost to support future growth plans in the US. Net Assets of the Group were £50.2m (2021: Net Assets £56.1m), and the Company had Net Assets of £64.5m (2021: Net Assets £65.4m). This was driven, as stated previously, by conversion of the remainder of the CLN debt to equity before closing a successful debt round. Much of the debt funding will be used to grow the business, with the increase in this form of long-term liability to be offset by growth in the company's asset base and earnings potential.

Principal risks and uncertainties and financial risk management

The Group's activities expose it to both internal and external risks. As the business develops, new risk management procedures are developed to help identify, measure, and review all perceived risk. These risks are monitored by the directors and the management team.

Competitor risk

To mitigate competitor exposure in the market the business endeavours to offer best in class experience, powered by the consistency and quality of service, product and additionally backed by the core technological benefits. Guest experience is paramount, and the business operates a guest feedback facility that is continually monitored and managed by operational management.

Liquidity risk

To maintain liquidity and ensure that sufficient funds are available for ongoing operations and future developments, the Group uses a mixture of long-term and medium-term debt finance. Future US interest rate volatility is mitigated largely due to the current long-term loan structured being on a fixed rate for 18 months from inception.

Economic uncertainty

The Group's primary place of business and customer base are both UK and US based, which alleviates some of the immediate risk posed by significant inflation on the businesses supply chain. However, the UK economy has been undergoing extreme pressures and stress, triggered by post-COVID global pressures and the geopolitical circumstance in Ukraine since Q1 of 2022. The cost-of-living crisis is currently impacting the UK and is being felt throughout the UK hospitality market. This is mitigated to a large extent with openings in the US, spreading the business' economic risks and geographically diversifying where Puttshack has placed itself in the market. The directors consider current global economic impacts on the business to be manageable through pricing and cost leadership.

Puttshack Limited

Strategic Report for the Year Ended 31 December 2022 - continued

Events after the balance sheet date

On 30th June 2023, the Group formally enacted a corporate re-organisation; where Puttshack International Holdings, Inc., a newly formed company, became the parent undertaking of the Company. There was no material impact on these financial statements resulting from the re-organisation.

In Q2 2023, the Group opened 4 new venues in the USA as part of its continued growth plan. These sites are located in Houston, Denver, Pittsburgh and Scottsdale.

On 31st January 2023, the Company issued 500,500 Ordinary D Shares resulting from exercised warrants. There was no material impact on these financial statements resulting from this share issue.

Future developments

The Group is at a fast-moving phase in its growth plans, and 2022 was marked as a key growth stage for the business after initial sites opened in 2021. Due to the growth through 2022 and rapid growth in sites from 2023, a certain level of investment has been anticipated and managed. The main business focus continues to be growth, based around a venue pipeline being created for future sites in the US.

The directors now consider the business to be in a robust position and able to deal with any unknown factors that 2023 will present.

The continued rise in domestic inflation will place pressure on the supply of materials, most notably commodity and labour prices. Where possible these will be mitigated via long term supply contracts, and any customer pass through will be in line with contractual terms.

Section 172 of the Companies Act 2006

Section 172 of the Companies Act 2006 ("s.172") imposes a general duty on directors to act in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its stakeholders. Our goal is to drive value for guests, associates, and shareholders alike. The Board believes that balancing the interest of stakeholders with our corporate purpose and the desire to maintain high standards of ethical conduct is embedded in the way we do business.

The Board delegates all day-to-day management and decision-making to its senior management team.

As part of their duties under the Companies Act 2006 (CA 2006), the directors have sought to understand the views of key stakeholders with regard to the following six factors:

- the likely consequences of any decisions in the long term
- the interests of the Company's employees
- the need to foster the Company's business relationships with suppliers, customers and others
- the impact of the Company's operations on the community and the environment
- the reputation for a high standard of business conduct; and
- the need to act fairly as between members of the Company.

Our Investors & Shareholders

Aside from our equity investors, as disclosed in Note 24 the business secured a debt facility with funds managed by BlackRock.

We present our financial performance to the Board on a periodic basis and will conduct covenant reporting and forecasting as our primary method of substantiating our commercial success to our investors.

Our Suppliers

We continue to develop our relationship with our suppliers across the core procurement areas in our food and beverage business, as well as partnering with key construction suppliers in the US as we rapidly expand into the US market. These relationships are and remain a crucial part of the business alongside two crucial factors. Primarily, as we develop our core food and beverage offerings to accompany our brand development, we recognise that robust supplier relationships through credit term negotiations and timely supplier payments will enhance the seamlessness of this transition. Secondly, as our business continues to grow both domestically and internationally, our supply chain will be benefitted from co-operative supplier relationships between our respective operations teams to optimise the trading arrangements with our suppliers.

Puttshack Limited

Strategic Report for the Year Ended 31 December 2022 - continued

Our Employees

The directors continually engage with its people through the business's dedicated People Teams, other departments heads and engagement surveys distributed to all employees, to best ensure that their needs are met through development of internal policy and supporting personal career development and opportunities as our business returned to expected growth in 2022 and into 2023. The business is committed to providing opportunities to employees, both current and prospective, of all demographics and abilities. This includes a tailored company ED&I policy to spearhead training and engagement in an inclusive manner.

Our Customers

Our guests are a fundamental part of our business and understanding their needs and wants is a crucial element in the success of our business strategy. We develop this understanding through feedback, social media and value enhancing offerings and utilise this to steer the direction of our offerings to provide the best guest experience when they visit our venues.

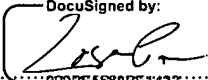
The Environment and Our Communities

Puttshack is committed to minimising environmental risk and continual improvement of environmental performance through Group operations. A formal Environmental Policy is being developed for the Group which will be made available to all relevant stakeholders. Puttshack is a responsible member of the local community; and community engagement is an important aspect of our operation which the Group is committed to continue and grow. Our Energy and Carbon Reporting statistics are available in the Directors Report of this set of financial statements.

Opportunity is made available within the business for charity donations, especially in select items on the menu that trigger a donation to specific local charities. This has initially been rolled out in the US and will likely be established in the UK.

The directors have considered all the required elements within s172 and have nothing further to disclose in respect of the remaining factors.

Approved by the Board and signed on its behalf by:

DocuSigned by:

909BE5538BE1422

L G Powell - Director

11 August 2023

Date:

7 Savoy Court, London, WC2R 0EX
United Kingdom

Puttshack Limited

Directors Report for the Year Ended 31 December 2022

The directors present their annual report on the affairs of Puttshack Limited (the 'Company') and its subsidiaries (the 'Group') together with the audited financial statements for the year ended 31 December 2022.

Principal activity

The principal activity of the Group and the Company is offering a premium hospitality experience and service centered around technologically enhanced mini golf.

Dividends

The directors do not recommend the payment of a dividend in the year (2021: £nil).

Directors

The directors who served during the year and up to the date of this report, unless otherwise stated, were as follows:

C J F Andrews (resigned 30 June 2023)
A M Breeden (resigned 30 June 2023)
M W Burt (resigned 30 June 2023)
D N Diamond (resigned 30 June 2023)
F T Gadams (resigned 30 June 2023)
P C M Guertler (appointed 15 March 2022) (resigned 30 June 2023)
T C Harris (resigned 18 February 2022)
S P Jolliffe (resigned 30 June 2023)
A N McGeoch (resigned 4 March 2022)
L G Powell
J R Rodriguez (resigned 30 June 2023)
D Sheffer (resigned 30 June 2023)
J Vrankin
S Walmesley (resigned 30 June 2023)

Directors' indemnities

The Group has made qualifying Third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Matters covered by the Strategic Report

See the Strategic Report for details of financial risk management, future developments and post balance sheet events which form part of this report by cross reference.

Going concern

Going concern is discussed in more detail within the accounting policies note 1. 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 date of approval of these financial statements. The directors therefore continue to adopt the going concern basis in preparing the annual financial statements.

Engagement with employees

See the Strategic Report under Section 172 Statement for details of how the Group has fully engaged with its employees, maintain, develop and manage employees' interests during the year. The section forms part of this report by cross reference.

Engagement with suppliers, customers and others

See the Strategic Report under Section 172 Statement for details of how the Group has fostered the Company's business relationships with suppliers, customers and others during the year. The section forms part of this report by cross reference.

Energy and carbon reporting

The Companies Act 2006 requires the presentation of non-financial information concerning greenhouse gas (GHG) emissions in the year, as this is the first year that, under the Streamlined Energy and Carbon Reporting regulations, the business is required to report this information, there are no comparative numbers. The energy usage and environmental impact of the business' operations within the UK are set out in the table below. The methodology used has been based on the Greenhouse Gas Protocol.

Puttshack Limited**Directors Report for the Year Ended 31 December 2022 - continued****Energy and carbon reporting – continued*****GHG emissions and energy usage***

	Year ended 31 December 2022	Year ended 31 December 2021
Energy usage (in kWh) during the year from:		
<u>Scope 1 Emissions</u>		
Purchase of gas & other combustible materials for use in venues and head office	491,509	314,715
Purchase and use of fuel in transportation	-	-
<u>Scope 2 Emissions</u>		
Purchase of electricity for use in venues and head office	3,498,476	2,174,284
Total	3,989,985	2,488,999
GHG emissions (kg CO ₂ e) during the year from:		
Purchase of electricity for use in venues and head office	676,535	420,463
Purchase of gas & other combustible materials for use in venues and head office	99,418	63,657
Water usage in venues and head office	1,906	1,615
Purchase and use of fuel in transportation	-	-
Total	777,859	485,735
Kg CO ₂ e produced per £m revenue generated	32,693	38,260

Energy efficiency actions taken

As part of the Group's continued efforts to minimise adverse environmental impacts from its activities where possible, during 2022 we have implemented new operational procedures to reduce idle energy usage, principally during opening and closing hours.

Research and development

During the year, the Group's project to develop its key technology and offer premium game play experience was continued. The Group considers this a key driver to their success and business model and the Company continued to invest during 2023 and it is a part of all future investment plans.

Auditor

Each of the persons who is a director at the date of approval of this report separately confirms that:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Puttshack Limited

Directors Report for the Year Ended 31 December 2022 - continued

Directors Responsibilities Statement

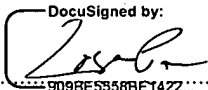
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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 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 Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 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.

Approved by the Board and signed on its behalf by:

DocuSigned by:

.....
909BESS58BE14ZZ.....
L G Powell - Director

11 August 2023
Date:
7 Savoy Court London WC2R 0EX
United Kingdom

Puttshack Limited

Independent Auditor's Report to the Members of Puttshack Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Puttshack Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Consolidated Statement of Comprehensive Income;
- the Consolidated and Parent Company Balance Sheets;
- the Consolidated and Parent Company Statements of Changes in Equity;
- the Consolidated Cash Flow Statement;
- the related notes 1 to 25.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the 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.

Puttshack Limited

Independent Auditor's Report to the Members of Puttshack Limited

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 group's and the parent 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 group or the parent 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation and employment law; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following area, and our procedures performed to address it are described below:

- the Group capitalises costs that meet the recognition criteria set out in Section 18 of FRS 102. There is a risk that earnings could be manipulated by management fraudulently capturing these costs as intangible assets. To address this risk we have selected a sample of capitalised costs to evaluate against the recognition criteria by inspecting source documentation.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

Puttshack Limited

Independent Auditor's Report to the Members of Puttshack Limited

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year 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.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

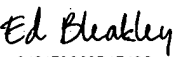
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

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.

DocuSigned by:

349173C09D1F46C...

Ed Bleakley ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP Statutory Auditor.
London,
United Kingdom.

Date: 11 August 2023

Puttshack Limited**Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2022**

	Note	2022 £	2021 £
Turnover	3	55,384,236	21,159,858
Cost of sales		(8,106,291)	(3,234,752)
Gross profit		47,277,945	17,925,106
Administrative expenses		(57,855,930)	(27,047,305)
Other operating income	4	-	883,114
Operating loss	8	(10,577,985)	(8,239,085)
Interest payable and similar expenses	7	(1,779,145)	(1,305,706)
Loss before taxation	8	(12,357,130)	(9,544,791)
Tax on loss	9	-	109,499
Loss for the financial year		(12,357,130)	(9,435,294)
<u>Other comprehensive income for the period:</u>			
Unrealised foreign exchange gain		5,488,144	-
Total comprehensive expense for the period		(6,868,986)	(9,435,294)

The whole of the loss for the year and the prior year is attributable to the owners of the Parent Company and were derived from continuing operations.

Puttshack Limited**Consolidated Balance Sheet as at 31 December 2022**

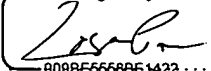
	Note	2022	2021
		£	£
Fixed assets			
Intangible assets	10	4,838,513	3,067,130
Tangible assets	11	61,590,133	24,878,201
		<u>66,428,646</u>	<u>27,945,331</u>
Current assets			
Stocks	14	1,604,545	731,772
Debtors	15	16,366,721	7,856,611
Cash at bank and in hand		16,084,013	36,939,735
		<u>34,055,279</u>	<u>45,528,118</u>
Creditors			
Amounts falling due within one year	16	(26,135,570)	(11,379,186)
Net current assets		<u>7,919,709</u>	<u>34,148,932</u>
Total assets less current liabilities			
Creditors			
Amounts falling due after more than one year	17	(24,187,811)	(5,966,932)
Net assets		<u>50,160,544</u>	<u>56,127,331</u>
Capital and reserves			
Called-up share capital	19	57,097	56,740
Share premium account		90,145,026	89,243,184
Profit and loss account		(40,041,579)	(33,172,593)
Shareholders' funds		<u>50,160,544</u>	<u>56,127,331</u>

The financial statements of Puttshack Limited (Registered number: 09875975) were approved by the Board of Directors and authorised for issue on:

11 August 2023

They were signed on its behalf by:

DocuSigned by:



008BE5668DE1422
L G Powell - Director

Puttshack Limited**Company Balance Sheet as at 31 December 2022**

	Note	2022	2021
		£	£
Fixed assets			
Intangible assets	10	2,604,584	2,621,914
Tangible assets	11	9,941,991	9,959,911
Investments	12	4	4
Loans to Group undertakings	13	51,889,781	52,096,762
		<u>64,436,360</u>	<u>64,678,591</u>
Current assets			
Stocks	14	609,212	390,018
Debtors	15	6,030,894	6,278,580
Cash at bank and in hand		849,742	2,451,624
		<u>7,489,848</u>	<u>9,120,222</u>
Creditors			
Amounts falling due within one year	16	(5,133,633)	(5,119,134)
Net current assets		<u>2,356,215</u>	<u>4,001,088</u>
Total assets less current liabilities			
Creditors			
Amounts falling due after more than one year	17	(2,342,402)	(3,325,215)
Net assets		<u>64,450,173</u>	<u>65,354,464</u>
Capital and reserves			
Called-up share capital	19	57,097	56,740
Share premium account		90,145,026	89,243,184
Profit and loss account		(25,751,950)	(23,945,460)
Shareholders' funds		<u>64,450,173</u>	<u>65,354,464</u>

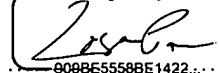
The loss for the financial year dealt with in the financial statements of the Parent Company was £1,806,490 (2021: £4,570,866).

The financial statements of Puttshack Limited (Registered number: 09875975) were approved by the Board of Directors and authorised for issue on:

11 August 2023

They were signed on its behalf by:

DocuSigned by:



008BE5558BE1422...
L G Powell - Director

Puttshack Limited**Consolidated Statement of Changes in Equity for the Year Ended 31 December 2022**

	Called up Share Capital	Share Premium Account	Profit and Loss Account	Total
	£	£	£	£
Balance as at 1 January 2021	15,462	11,693,722	(23,737,299)	(12,028,115)
Loss for the financial year	-	-	(9,435,294)	(9,435,294)
Issue of share capital	41,278	77,549,462	-	77,590,740
Balance as at 31 December 2021	<u>56,740</u>	<u>89,243,184</u>	<u>(33,172,593)</u>	<u>56,127,331</u>
Loss for the financial year	-	-	(12,357,130)	(12,357,130)
Convertible loan note redemption	357	901,842	-	902,199
Unrealised foreign exchange gain for the year	-	-	5,488,144	5,488,144
Balance as at 31 December 2022	<u>57,097</u>	<u>90,145,026</u>	<u>(40,041,579)</u>	<u>50,160,544</u>

Puttshack Limited**Company Statement of Changes in Equity for the Year Ended 31 December 2022**

	Called up Share Capital	Share Premium Account	Profit and Loss Account	Total
	£	£	£	£
Balance as at 01 January 2021	15,462	11,693,722	(19,374,594)	(7,665,410)
Loss for the financial year	-	-	(4,570,866)	(4,570,866)
Issue of share capital	41,278	77,549,462	-	77,590,740
Balance as at 31 December 2021	<u>56,740</u>	<u>89,243,184</u>	<u>(23,945,460)</u>	<u>65,354,464</u>
Loss) for the financial year	-	-	(1,806,490)	(1,806,490)
Convertible loan note redemption	357	901,842	-	902,199
Balance as at 31 December 2022	<u>57,097</u>	<u>90,145,026</u>	<u>(25,751,950)</u>	<u>64,450,173</u>

Puttshack Limited**Consolidated Cash Flow Statement for the Year Ended 31 December 2022**

	Note	2022 £	2021 £
Cash flow from operating activities			
Cash generated from/(used in) operations		5,144,454	(5,502,516)
Tax credit received		-	109,499
Net generated from/(cash used) in operating activities		<u>5,144,454</u>	<u>(5,393,017)</u>
Cash flow from investing activities			
Purchase of intangible fixed assets	10	(2,721,281)	(1,354,148)
Purchase of tangible fixed assets		<u>(40,766,294)</u>	<u>(7,402,357)</u>
Net cash used in investing activities		<u>(43,487,575)</u>	<u>(8,756,505)</u>
Cash flows from financing activities			
Issue of share capital		-	6,006
Drawdown of loans	20	20,551,020	-
Proceeds on issue of loans		-	44,707,924
Repayment of obligations under finance leases	20	(1,015,143)	(689,862)
Interest paid		<u>(1,552,491)</u>	<u>(94,707)</u>
Net cash generated from financing activities		<u>17,983,386</u>	<u>43,929,361</u>
Increase / (decrease) in cash and cash equivalents		<u>(20,359,735)</u>	<u>29,779,839</u>
Cash and cash equivalents at beginning of the year		<u>36,939,735</u>	<u>7,406,314</u>
Effect of foreign exchange rate changes		(495,987)	(246,418)
Net cash generated from/(used in) operating activities		5,144,454	(5,393,017)
Net cash used in investing activities		(43,487,575)	(8,756,505)
Net cash generated from financing activities		<u>17,983,386</u>	<u>43,929,361</u>
Cash and cash equivalents at end of the year		<u>16,084,013</u>	<u>36,939,735</u>

Puttshack Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2022 - continued

1. Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the year and to the preceding year.

General information and basis of accounting

Puttshack Limited (the "Company") is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is 7 Savoy Court, London, United Kingdom, WC2R 0EX.

The principal activities of the Company and its subsidiaries (the "Group") and the nature of their operations are set out in the Strategic Report on pages 2 to 4. The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Puttshack Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

As permitted by s408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the Parent Company. The loss attributable to the Company is disclosed in the footnote to the Company's balance sheet.

In the Company financial statements, as the consolidated financial statements of Puttshack Limited include the equivalent disclosures, the Company has taken the exemptions under FRS 102 available in respect of financial instruments, share based payments, the presentation of a cash flow statement and remuneration of key management personnel.

Going concern

The consolidated financial statements have been prepared on the going concern basis notwithstanding the loss for the period of £12.3m (2021 £9.4m). The directors in assessing the ability of the Group as a going concern have prepared operating cash flow forecasts covering the going concern period of assessment through to August 2024. These forecasts form part of the extended business model out to 2026.

During 2021 with the conversion of 99% of the business' Convertible Loan Note ('CLN') debt, the Group's directors were able to concentrate on closing a necessary funding round during 2022 to power the strategic growth of the business through 2023, 2024 and into 2025. The business closed a successful funding round in Q4 of 2022 for \$150m with funds managed by BlackRock. As of the date of signing, only \$90m of the facility has been drawn. This has been achieved with the assistance of the final 1% of the previous CLN holders converting into equity immediately prior to the new debt being closed.

The beneficial EBITDA balances created by the nine sites by the close of 2022, continued beneficial earnings into Q2 of 2023, and a substantial amount of these new funds is driving pure site growth, with four sites having opened in 2023 at the date of signature with a further two forecasted to in Q4 2023.

The business anticipates further sites opening in the US in 2024, and the speed of expansion is contingent on external factors, including but not limited to, financing options available to the group. The focus of the business is growth; however, use of the BlackRock facility proceeds is also allowable for working capital requirements, research and development, and general corporate purposes within the US. Any UK expansion would need prior agreement with BlackRock before funds could be released.

The level of debt being brought into the business is dependent on an arranged unrestricted cash balance in the business and is covered by a contractually agreed backstop provided by affiliates of current investors. The loan has an agreed interest rate split as a cash rate paid quarterly, and a paid in kind per annum rate, payable or compounded quarterly in arrears.

Puttshack Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2022 - continued

1. Accounting policies (continued)

Going Concern (continued)

The loan will mature on the fifth anniversary of the closing date. Covenants have been negotiated with rapid growth in mind between the lender and borrower. The key covenants the business are working within are structured around three specific areas, cash balances held, site-level EBITDA and total leverage of the business' earnings after corporate expenditure.

At all times the business must maintain an agreed cash balance on a group wide basis; this has been tested from Q1 of 2023 and is forecasted to be continually compliant with the business set to maintain ample cash reserves through August 2024.

Site-Level EBITDA relates to performance of venues before any corporate overhead is expensed, this has been tested from Q1 of 2023. Current and any future site level performance is forecasted to meet covenant requirements throughout the going concern period.

Total leverage will be tested quarterly from Q4 2023, this equates total net debt (current debt less allowable bank balance deductions) as a multiple of company EBITDA (site-level EBITDA less agreed corporate expenditure).

Both site level and total leverage are tested by utilising an adjusted site-level EBITDA performance on a last twelve months (LTM) basis during calculation.

The business' current base-case growth plans do come with a covenant risk. With all sites currently performing exceptionally at site-level EBITDA, the total leverage test would be impacted meaningfully should a site be materially delayed in opening to the public or if a material downturn in trading were to occur.

The business, to safeguard this continual growth, intends to build the corporate team significantly in advance of said openings and therefore any material delay could negatively impact compliance with this covenant. In the event of a covenant breach, management would take the described steps below in order to avoid or cure any covenant breach.

Given the aforementioned points about the Company's growth plans and associated risks the existence of the contractually obligated equity backstop being put in place for the loan is justified. At the point that the business reports any covenant breach, the business has sixty days to cure it. As with any business with a credit facility, should a breach of a covenant occur, management will first engage in discussions with the company's lender in order to negotiate a potential waiver of the covenant breach or an amendment to the credit facility. The backstop funds are contractually committed to support the business in the event these discussions are unsuccessful but allow management to be in complete control of curing any covenant breach. For avoidance of doubt, the contractually committed backstop is in the amount of \$150m, whilst the current amount drawn of the facility as of the date of signing is only \$90m.

Whilst the contractually obligated backstop mechanism allows management to have full control of curing any breach, if required, management would prefer to (in this order) (i) first negotiate a waiver of a covenant breach or an amendment to the credit agreement (ii) secondly, raise additional capital as needed to utilize a less disruptive approach of in the event that discussions with our lender were unsuccessful in achieving a waiver or amendment to our credit agreements, and (iii) as a final option, utilize the equity backstop to cure the potential breach by repaying the existing loan in full. In relation to option "ii" mentioned, the business has been able to access the capital markets in some of the most challenging economic circumstances throughout the COVID-19 pandemic, and the directors are confident the business could raise additional capital should it be needed to support the business.

With the investor support garnered by the management team, the business has at the balance sheet date been able to open five sites in the US since Q2 of 2021 and one in the UK. Subsequently since the balance sheet date to time of signing has opened a further four sites in the US, bringing the business's global sites to thirteen. This rapid growth has been underpinned by the strength of the technology and the quality of the team built around the board.

Having assessed these financial forecasts and the available mitigating factors, the directors have reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the next 12 months, from the date of signing of these accounts. Consequently, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Puttshack Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2022 - continued

1. Accounting policies (continued)

Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years. Amortisation is charged across all asset classes to administrative expenses.

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial, and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as an intangible asset and amortised over the period during which the Group is expected to benefit.

Amortisation is provided on all intangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line bases over its expected useful life, as follows:

Trademarks	10 years
Website	5 years
Development costs	5 - 10 years
Software development	5 - 10 years

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line bases over its expected useful life, as follows:

Leasehold improvements	10 to 25 years (length of lease)
Plant and machinery	3 years
Fixtures and fittings	3 to 7 years
Computer equipment	3 years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Landlord contributions that do not meet the definition of a lease incentive are offset against the cost of leasehold improvements and spread on a straight line over the lease term as a reduction in depreciation.

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 tangible asset to its present condition is transferred to the relevant tangible asset category.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Puttshack Limited**Notes to the Consolidated Financial Statements for the year ended 31 December 2022 - continued****1. Accounting policies (continued)****Financial instruments (continued)**

Debt instruments which meet the conditions of being 'basic' financial instruments as defined in FRS 102.11.9 are subsequently measured at amortised cost using the effective interest method.

Debt instrument that have no stated interest rate (and do not constitute financing transactions) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting the conditions of being 'basic' financial instruments are measured at fair value through profit or loss.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Equity instruments

Equity instruments issued by the Group are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

Investments

In the Company balance sheet, investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Convertible loan notes

The component parts of compound instruments issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. On initial recognition the financial liability component is recorded at its fair value. At the date of issue, in the case of a convertible bond denominated in the functional currency of the issuer that may be converted into a fixed number of equity shares, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity and is not subsequently remeasured.

Transaction costs are apportioned between the liability and equity components of the convertible instrument based on their relative fair values at the date of issue. The portion relating to the equity component is charged directly against equity. Where the financial liability component meets the criteria in (i) above, the finance costs of the financial liability are recognised over the term of the debt using the effective interest method. If those criteria are not met, the financial liability component is measured at fair value through profit or loss.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the profit and loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Puttshack Limited**Notes to the Consolidated Financial Statements for the year ended 31 December 2022 - continued****1. Accounting policies (continued)****Financial assets**

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date. Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes materials and direct labour and calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the sale of goods is recognised when the goods are physically delivered to the buyer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. 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.

Dividend and interest income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Employee benefits

The Group operates a defined contribution scheme. The amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet 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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised 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.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

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 simultaneously.

Puttshack Limited**Notes to the Consolidated Financial Statements for the year ended 31 December 2022 - continued****1. Accounting policies (continued)****Taxation (continued)**

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.

Leases**The Group as lessee**

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in the Profit and Loss Account in the period in which they arise except for exchange differences arising on gains or losses on non-monetary items which are recognised in the Statement of Comprehensive Income.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group and the Company's accounting policies, which are described in note 1, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts 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.

Critical judgements in applying the Group and the Company's accounting policies

The directors do not believe there are any material critical judgements made in applying the accounting policies in these statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Useful lives of depreciable assets

The Group's tangible fixed assets have a net book value of £61,590,133 (2021: £24,878,201) and the Group's intangible fixed assets have a net book value of £4,838,513 (2021: £3,067,130). Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on expectations of the assets. Uncertainties in these estimates relate to technological advancements that may change the use of certain equipment.

Puttshack Limited**Notes to the Consolidated Financial Statements for the year ended 31 December 2022 - continued****3. Turnover**

The turnover and loss before taxation are attributable to the principal activities of the Group.

An analysis of turnover by class of business and by geographical region is given below:

	2022	2021
	£	£
Golf Revenue	25,777,325	10,480,790
Food Revenue	9,736,697	3,214,188
Beverage Revenue	19,545,772	7,370,943
Other Revenue	324,442	93,937
	<u>55,384,236</u>	<u>21,159,858</u>

	2022	2021
	£	£
United Kingdom	23,792,710	12,695,730
United States of America	31,591,526	8,464,128
	<u>55,384,236</u>	<u>21,159,858</u>

4. Other Operating Income

Other operating income of £nil (2021: £883,114) relates to the Coronavirus Job Retention Scheme, a UK government grant.

5. Employees and directors

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Wages and salaries	12,515,302	7,702,038	3,247,051	2,216,540
Social Security costs	1,951,058	778,721	499,503	338,387
Other pension costs	418,770	93,342	121,263	81,718
	<u>14,885,130</u>	<u>8,574,101</u>	<u>3,867,817</u>	<u>2,636,645</u>

Further information concerning other pension costs is given in Note 22.

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

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Senior Management team	9	64	3	3
Management team	108	12	44	36
Design and manufacture	18	325	18	12
Venue	768	325	139	96
	<u>903</u>	<u>408</u>	<u>204</u>	<u>147</u>

Puttshack Limited**Notes to the Consolidated Financial Statements for the year ended 31 December 2022 - continued****6. Directors Emoluments**

The total aggregate remuneration of directors was as follows:

	2022	2021
	£	£
Directors Emoluments	1,362,077	1,935,799
Company contributions to defined contribution schemes	17,003	-
	<u>1,379,080</u>	<u>1,935,799</u>

£17,003 (2021: £nil) of post-employment benefits are accruing for directors in the current year or prior year under a defined contribution pension scheme.

Remuneration of the highest paid directors during the year was £446,366 (2021: £542,719).

7. Interest payable and similar expenses

	2022	2021
	£	£
Loan financing expenses	1,540,843	-
Bank interest	5,245	667
Convertible loan notes interest	82,145	1,210,999
Finance leases and hire purchase contracts interest	150,912	94,040
	<u>1,779,145</u>	<u>1,305,706</u>

8. Loss before taxation

Loss before taxation is stated after charging/(crediting);

	2022	2021
	£	£
Depreciation of tangible fixed assets	4,474,142	2,469,299
Amortisation of intangible fixed assets	949,782	645,929
Operating lease rentals	5,208,057	3,277,086
Foreign exchange (gain)/losses	475,074	(1,262,747)
Cost of stock recognised as an expense	<u>8,153,310</u>	<u>3,616,564</u>

An analysis of the auditor's remuneration is as follows:

	2022	2021
	£	£
Fees payable to the Group's auditor for the audit of the financial statements	195,000	130,000
Fees payable to the Group's auditor for the taxation services	60,443	40,000

Fees payable to Deloitte LLP and its associates for non-audit services to the Company are not required to be disclosed because these consolidated financial statements are required to disclose such fees on a consolidated basis.

Puttshack Limited**Notes to the Consolidated Financial Statements for the year ended 31 December 2022 - continued****9. Taxation**

	2022	2021
	£	£
Adjustment in respect of previous years	-	(109,499)
Total current tax	-	(109,499)

Reconciliation of total tax credit included in profit and loss

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

	2022	2021
	£	£
Loss before tax	(11,911,705)	(9,544,791)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(2,263,224)	(1,813,510)
<u>Effects of:</u>		
Adjustments in respect of prior years	-	(109,499)
Deferred tax not recognised	2,123,214	1,555,990
Expenses not deductible for tax purposes	44,238	297,698
Income not taxable	94,724	(40,179)
Tax rate changes	-	1
Super-deduction	(17,952)	-
Gains	19,000	-
Total tax credit	<u>0</u>	<u>(109,499)</u>

The Group has unrecognized taxable losses carried forward of approximately £3,861,712 (2021: £3,942,286). Interest on the convertible loan notes has been treated as non-deductible for the purposes of unrecognised deferred tax.

Loss attributable to the Company

As permitted by s408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the Parent Company. The loss attributable to the Company is disclosed in the footnote to the Company's balance sheet.

Puttshack Limited**Notes to the Consolidated Financial Statements for the year ended 31 December 2022 - continued****10. Intangible Assets****Group**

	Trademarks	Website	Development Cost	Software Development	Total
	£	£	£	£	£
Cost					
At January 2022	143,218	109,419	3,746,137	656,226	4,655,000
Additions	950,531	-	1,029,890	690,965	2,671,386
Exchange adjustment	2,012	-	972	46,911	49,895
At December 2022	1,095,761	109,419	4,776,999	1,394,102	7,376,281
Amortisation					
At January 2022	36,355	108,346	1,344,664	98,505	1,587,870
Charge for the year	38,140	1,073	760,242	149,428	948,883
Exchange adjustment	704	-	263	48	1,015
At December 2022	75,199	109,419	2,105,169	247,981	2,537,768
Net Book Value					
At December 2022	1,020,562	0	2,671,830	1,146,121	4,838,513
At December 2021	106,863	1,073	2,401,473	557,721	3,067,130

Company

	Trademarks	Website	Development Cost	Software Development	Total
	£	£	£	£	£
Cost					
At January 2022	119,560	107,739	3,707,213	249,822	4,184,334
Additions	15,213	-	722,687	-	737,900
At December 2022	134,773	107,739	4,429,900	249,822	4,922,234
Amortisation					
At January 2022	28,748	106,993	1,328,590	98,089	1,562,420
Charge for the year	11,930	746	693,910	48,644	755,230
At December 2022	40,678	107,739	2,022,500	146,733	2,317,650
Net Book Value					
At December 2022	94,095	0	2,407,400	103,089	2,604,584
At December 2021	90,812	746	2,378,623	151,733	2,621,914

Development costs have been capitalised in accordance with FRS 102 Section 18 Intangible Assets other than Goodwill and are therefore not treated, for dividend purposes, as a realised loss in the Profit and loss account. The nature of capitalised development costs includes development of the bespoke mini-golf concepts of the business.

The amount of research and developments expenditure recognised in the profit and loss account during the year is £nil (2021: £nil)

Puttshack Limited**Notes to the Consolidated Financial Statements for the year ended 31 December 2022 - continued****11. Tangible Fixed Assets****Group**

	Leasehold Improvements £	Plant & Machinery £	Fixtures & Fittings £	Computer Equipment £	Fixed Asset WIP £	Total £
Cost						
At January 2022	15,639,551	2,261,633	11,905,533	801,204	-	30,607,921
Additions	23,806,557	3,709,222	10,527,025	983,345	1,018,308	40,044,457
Exchange adjustment	410,964	183,115	608,626	20,146	-	1,222,851
At December 2022	39,857,072	6,153,970	23,041,184	1,804,695	1,018,308	71,875,229
Depreciation						
At January 2022	2,021,242	671,463	2,609,552	427,463	-	5,729,720
Charge for the year	1,211,500	676,550	2,293,917	307,599	-	4,489,566
Exchange adjustment	3,017	17,793	41,012	3,988	-	65,810
At December 2022	3,235,759	1,365,806	4,944,481	739,050	-	10,285,096
Net Book Value						
At December 2022	36,621,313	4,788,164	18,096,703	1,065,645	1,018,308	61,590,133
At December 2021	13,618,309	1,590,170	9,295,981	373,741	-	24,878,201

The Group held assets under finance leases and hire purchase agreements that have a net book value of £1,678,652 (2021: £1,054,414) at year end. The Group finance leases relate to venue fixtures and fittings.

The Group has a fixed and floating charges on all of its property or undertaking.

Company

	Leasehold Improvements £	Plant & Machinery £	Fixtures & Fittings £	Computer Equipment £	Fixed Asset WIP	Total £
Cost						
At January 2022	9,291,974	527,762	3,798,489	497,359	-	14,115,584
Additions	132,516	21,689	1,663,738	84,283	1,014,465	3,047,411
Transfers to Group Undertakings	-	-	(1,456,824)	-	-	(1,587,544)
At December 2022	9,424,490	549,451	4,005,403	581,642	1,014,465	15,575,451
Depreciation						
At January 2022	1,727,832	399,756	1,689,944	338,141	-	4,155,673
Charge for the year	660,234	102,183	599,861	115,509	-	1,477,787
At December 2022	2,388,066	501,939	2,289,805	453,650	-	5,633,460
Net Book Value						
At December 2022	7,036,424	47,512	1,715,598	127,992	1,014,465	9,941,991
At December 2021	7,564,142	128,006	2,108,545	159,218	-	9,959,911

The Company held assets under finance leases and hire purchase agreements that have a net book value of £nil (2021: £353,059) at year end. The Company finance leases relate to venue fixtures and fittings.

The Company has a fixed and floating charges on all of its property or undertakings.

Puttshack Limited**Notes to the Consolidated Financial Statements for the year ended 31 December 2022 - continued****12. Fixed Asset Investments**

Name of entity	Registered office address	Principal activity	Holding	2021	2020
Puttshack IP Holdings Limited*	7 Savoy Court, London, WC2R 0EX	Dormant	Ordinary shares	100%	100%
Puttshack Services Limited*	7 Savoy Court, London, WC2R 0EX	Dormant	Ordinary shares	100%	100%
Puttshack Patents Limited	7 Savoy Court, London, WC2R 0EX	Dormant	Ordinary shares	100%	100%
Puttshack UK Limited*	7 Savoy Court, London, WC2R 0EX	Dormant	Ordinary shares	100%	100%
Puttshack USA Inc*	303 W Erie St Suite 600, Chicago, IL 60654	Holding Company	Common shares	100%	100%
Puttshack Trademarks Limited	7 Savoy Court, London, WC2R 0EX	Dormant	Ordinary shares	100%	100%
Puttshack Watford Limited+	7 Savoy Court, London, WC2R 0EX	Full service restaurant	Ordinary shares	100%	100%
Puttshack Oakbrook Center LLC	20 W Kinzie 17th Floor, Chicago, IL 60654	Full service restaurant	Member	100%	100%
Puttshack Reading Limited	7 Savoy Court, London, WC2R 0EX	Dormant	Ordinary shares	100%	100%
Puttshack Lakeside Limited+	7 Savoy Court, London, WC2R 0EX	Full service restaurant	Ordinary shares	100%	100%
Puttshack Interlock Atlanta LLC	20 W Kinzie 17th Floor, Chicago, IL 60654	Full service restaurant	Member	100%	100%
Puttshack Miami Brickell LLC	20 W Kinzie 17th Floor, Chicago, IL 60654	Full service restaurant	Member	100%	100%
Puttshack Chicago Fulton Market LLC	20 W Kinzie 17th Floor, Chicago, IL 60654	Full service restaurant	Member	100%	100%
Puttshack Boston Seaport LLC	20 W Kinzie 17th Floor, Chicago, IL 60654	Full service restaurant	Member	100%	100%
Puttshack Nashville Guitars, LLC	303 W Erie St Suite 600, Chicago, IL 60654	Full service restaurant	Member	100%	100%
Puttshack Atlanta High Street LLC	303 W Erie St Suite 600, Chicago, IL 60654	Full service restaurant	Member	100%	100%
Puttshack Denver Rhino LLC	303 W Erie St Suite 600, Chicago, IL 60654	Full service restaurant	Member	100%	100%
Puttshack Houston Center LLC	303 W Erie St Suite 600, Chicago, IL 60654	Full service restaurant	Member	100%	100%
Puttshack Pittsburgh Terminal LLC	303 W Erie St Suite 600, Chicago, IL 60654	Full service restaurant	Member	100%	100%
Puttshack Scottsdale Quarter LLC	303 W Erie St Suite 600, Chicago, IL 60654	Full service restaurant	Member	100%	100%
Puttshack St. Louis Foundry LLC	303 W Erie St Suite 600, Chicago, IL 60654	Full service restaurant	Member	100%	100%
Puttshack Payroll Services Inc	303 W Erie St Suite 600, Chicago, IL 60654	Full service restaurant	Member	100%	100%

Puttshack Limited**Notes to the Consolidated Financial Statements for the year ended 31 December 2022 - continued****12. Fixed Asset Investments (continued)**

* held directly by Puttshack Limited

+ For the year ending 31 December 2022 the subsidiaries of the Company (Puttshack Watford Limited, registered number 11983389 and Puttshack Lakeside Limited, registered number 12324646), marked + above, were entitled to exemption from audit under s479A of the Companies Act 2006 relating to subsidiary companies.

The following dormant subsidiaries of the Company have taken advantage of the Companies Act 2006 Section 394A exemption from preparing individual accounts. These subsidiaries are exempt from the requirement to prepare individual accounts by virtue of this section. Consequently, the directors are also exempt from the requirement to deliver a copy of the subsidiaries' individual accounts by virtue of this section:

Subsidiary Name	Companies House Registration Number
Puttshack IP Holdings Limited	12203385
Puttshack Services Limited	12290761
Puttshack Patents Limited	12208983
Puttshack Reading Limited	12228947
Puttshack Trademarks Limited	12203780
Puttshack UK Limited	12323482

**Shares in group
undertakings**

£

Cost

At 1 January 2022	4
At 31 December 2022	4

Net Book Value

At 1 January 2022	4
At 31 December 2022	4

13. Loans to Group undertakings

**Company
2022**

£

Loans to Group Undertakings	51,889,781
-----------------------------	------------

At 1 January 2022	<u>52,096,762</u>
Additional loans made to Group Undertaking	320,606
Repayments made by Group Undertaking	(527,587)
At 31 December 2022	<u>51,889,781</u>

Loans to Group undertakings represent balances receivable from Puttshack USA Inc, a group company. These balances are interest-free, unsecured and are repayable on demand.

Puttshack Limited**Notes to the Consolidated Financial Statements for the year ended 31 December 2022 - continued****14. Stocks**

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Consumables	1,604,545	731,772	609,212	390,018

15. Trade & Other Debtors

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	53,129	45,933	49,664	42,469
Amounts owed by related parties	3,872	395,950	3,872	437,645
Amounts owed by group undertakings	-	-	3,827,104	4,382,806
Other debtors	13,898,748	5,930,070	535,864	310,599
Corporation tax	357,258	357,256	357,258	357,256
Prepayments	2,053,714	1,127,402	1,257,132	747,805
	<u>16,366,721</u>	<u>7,856,611</u>	<u>6,030,894</u>	<u>6,278,580</u>

All amounts owed by group undertakings are unsecured and repayable on demand, further details on these balances are given in Note 24.

The other debtors balance includes rental deposits of £3,649k (2021: £912k), restricted cash relating to Letters of Credit £1,652k (2021: £1,741k) and provisioned capital contribution due £6,640k (2021: £2,317k). The remainder of the other debtor balance consists of immaterial balances.

16. Creditors: amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Obligation under finance lease and hire purchase contracts (see note 17)	616,032	626,417	-	195,861
Trade creditors	15,126,311	6,521,387	2,087,792	2,617,500
Amounts owed to related parties	85,295	-	85,295	-
Other taxation and social security	1,078,550	301,443	330,893	119,171
Other creditors	2,223,506	1,104,402	384,622	95,776
Accruals	6,976,767	2,825,537	2,215,922	1,804,988
Deferred Income	29,109	-	29,109	-
Deferred Tax	-	-	-	43,371
	<u>26,135,570</u>	<u>11,379,186</u>	<u>5,133,633</u>	<u>5,119,134</u>

All amounts owed by group undertakings are unsecured and repayable on demand, further details on these balances are given in Note 24.

The other creditors balance includes guest deposit and gift card control £404k (2021: £583.7k) and lease incentive £579k (2021: £104k). The remainder of the other creditor balance consists of immaterial balances.

The accruals balance includes convertible loan note interest of £Nil (2021: £62k), property related accruals of £977k (2021: £779k) and employee related accruals £3,587k (2021: £688k). The remainder of the accruals balance consists of immaterial balances.

Puttshack Limited**Notes to the Consolidated Financial Statements for the year ended 31 December 2022 - continued****17. Creditors: amounts falling due after more than one year**

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Obligation under finance leases and hire purchase contracts	275,619	510,811	-	-
Convertible loans notes	-	757,744	-	757,744
Bank Loan	19,469,617	-	-	-
Other creditors	-	518,817	-	-
Accruals	4,442,575	4,179,560	2,342,402	2,567,471
	<u>24,187,811</u>	<u>5,966,932</u>	<u>2,342,402</u>	<u>3,325,215</u>

Finance leases repayable are as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Present value of minimum lease payments				
Within one year	616,032	602,880	-	172,323
Between one and five years	275,619	510,811	-	-
	<u>891,651</u>	<u>1,113,691</u>	<u>-</u>	<u>172,323</u>
Minimum lease payments				
Within one year	741,381	705,178	-	176,621
Between one and five years	328,441	627,085	-	-
	1,069,822	1,332,263	-	176,621
Less: future finance charges	(178,171)	(218,572)	-	(4,298)
Present value of lease obligations	<u>891,651</u>	<u>1,113,691</u>	<u>-</u>	<u>172,323</u>

Convertible loan notes

On 5th October 2022 the Company exercised a redemption of its convertible loan note, fully extinguishing the instrument and converting it into Preference share capital as denoted in Note 19.

Puttshack Limited**Notes to the Consolidated Financial Statements for the year ended 31 December 2022 - continued****18. Financial Instruments**

The carrying values of the Group and Company's financial assets and liabilities are summarised by category below:

	Group	2021	Company	2021
	2022		2022	
	£	£	£	£
Financial assets				
Cash and cash equivalents	16,084,013	36,939,735	849,742	2,451,624
Financial assets measured at amortised cost	13,955,749	6,371,955	56,306,289	5,173,519
	<u>30,039,762</u>	<u>43,311,690</u>	<u>57,156,031</u>	<u>7,625,143</u>
Financial liabilities				
Financial liabilities measured at amortised cost	29,660,810	17,044,675	7,030,738	8,281,807

Cash and cash equivalents comprise cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Financial assets measured at amortised cost comprise trade debtors, amounts due from Group undertakings, related parties and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amount owed to Group undertakings, other creditors, accruals, obligations under finance leases and hire purchase, and convertible loan notes.

19. Called-up share capital

The fully paid and allotted share capital for both the Group and the Company are as follows:

Number:	Class:	Nominal value	2022	2021
			£	£
555,000 (2021: 555,000)	Ordinary A shares	£0.01 each	5,550	5,550
225,000 (2021: 225,000)	Ordinary B shares	£0.01 each	2,250	2,250
200,000 (2021: 200,000)	Ordinary C shares	£0.01 each	2,000	2,000
566,187 (2021: 566,187)	Ordinary D shares	£0.01 each	5,662	5,662
600,613 (2021: 600,613)	Ordinary E shares	£0.01 each	6,006	6,006
3,562,877 (2021: 3,527,247)	Preference shares	£0.01 each	35,629	35,272
			<u>57,097</u>	<u>56,740</u>

Share capital represents the nominal (par) value of shares that have been issued.

Share premium contains the premium arising on the issue of equity shares, net of issue expenses.

Preference shares ranks pari passu in all respects with other ordinary share classes, except they are not ranked for dividend and there is no expiry or redemption date in relation to the preference shares. Preference share holders are entitled to receive 2 times initial investment in advance of any other share class.

The profit and loss reserve represents cumulative profits or losses.

Puttshack Limited**Notes to the Consolidated Financial Statements for the year ended 31 December 2022 - continued****20. Cash Flow Statement***Reconciliation of operating loss to cash used in operations:*

	2022	2021
	£	£
Loss for the financial year	(12,357,130)	(9,435,292)
Depreciation of tangible assets	4,555,376	2,469,299
Amortisation of intangible assets	949,898	645,929
Interest paid	1,552,491	94,707
Unrealised foreign exchange loss	495,987	246,418
Tax on loss	-	(109,499)
	<u>(4,803,378)</u>	<u>(6,088,438)</u>
Decrease in stocks	(872,773)	(122,997)
Increase in trade and other debtors	(1,886,361)	(2,874,567)
Increase in trade and other creditors	<u>12,706,966</u>	<u>3,583,486</u>
Net cash flows generated/(used) in operating activities	<u>5,144,454</u>	<u>(5,502,516)</u>

Net debt reconciliation

	01 January 2022	Cash Flows	New Finance Leases	Other non-cash changes	Changes in market value & exchange rates	31 December 2022
	£	£	£	£	£	£
Cash at bank and in hand	36,939,735	(20,855,722)	-	-	-	16,084,013
Bank Loan	-	(20,551,020)	-	-	1,081,403	(19,469,617)
Convertible debt	(757,744)	-	-	757,744	-	-
Finance Leases <1 year	(602,859)	1,015,143	(560,204)	(418,416)	(49,696)	(616,032)
Finance Leases >1 year	(510,811)	-	(124,490)	418,643	(58,961)	(275,619)
Net Debt	<u>35,068,321</u>	<u>(40,391,599)</u>	<u>(684,694)</u>	<u>757,971</u>	<u>972,746</u>	<u>(4,277,255)</u>

21. Financial commitments

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

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Within one year	9,506,140	2,834,581	1,887,833	1,887,833
Between one and five years	59,461,701	16,622,435	7,210,400	7,155,386
After five years	151,079,276	158,856,141	9,685,613	11,810,118
	<u>220,047,117</u>	<u>178,313,157</u>	<u>18,783,846</u>	<u>20,853,337</u>

Puttshack Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2022 - continued

22. Employee benefits

The Group operates defined contribution retirement benefit schemes for all qualifying employees. The total expense charged to profit or loss in the year was £418,770 (2021: £93,342).

23. Subsequent events

On 30th June 2023, the Group formally enacted a corporate re-organisation; where Puttshack International Holdings Inc, a newly formed company, became the parent undertaking of the Company. There was no material impact on these financial statements resulting from the re-organisation.

In the first half of 2023, the Group drew a further \$60m of funds from the Blackrock facility. For further details, refer to the going concern disclosure in Note 1 to the financial statements.

In Q2 2023, the Group opened 4 new venues in the USA as part of its continued growth plan.

On 31st January 2023, the Company issued 500,500 Ordinary D Shares resulting from exercised warrants. There was no material impact on these financial statements resulting from this share issue.

24. Related party transactions

The Company has taken advantage of the exemption contained in Section 33 of FRS 102 and not disclosed transactions or balances with other wholly owned entities which form part of the Group.

Included in administrative expenses is a payment of £nil (2021: £240,000) made to a former director in relation to discharge of share options. There are no outstanding amounts at year end in relation to this transaction.

Included in debtors at the year-end is £81,423 due to (2021: £4,196 due from) World Golf Systems Limited, a company under common control and nature of the transaction is consultancy services. During the year, the Group paid to World Golf Systems Limited £1,187,580 (2021: £1,607,624) as license fees.

During the year, the Group paid Breeden Holdings Limited, a company under common control, £103,998 (2021: £143,980) for professional services rendered.

During the year, the Group paid one of the directors £20,000 (2021: £21,174) as advisory fees.

During the year, the Group paid one of the directors £10,000 (2021: £nil) for purchase of plant and machinery. This transaction occurred at market value.

25. Ultimate controlling party

Puttshack Limited is the parent undertaking of both the largest and smallest group which includes the Company and for which Group accounts are prepared. The directors consider M Burt as the representative of Promethean Investments to be the ultimate controlling party.