Escape Hunt Group Limited

Financial Statements for the year ended 31 December 2019

Company Registration No: 10676408 (England and Wales)

Contents **Page Number**

COMPANY INFORMATION

Directors	Richard Harpham Andrew Jacobs Graham Bird
Company Secretary	Graham Bird
Registered Office	3 Pear Place London SE1 8BT
Auditors	Crowe U.K. LLP St Brides House 10 Salisbury Square London EC4Y 8EH

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present their report on the Company, together with the audited Financial Statements for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The Company's principal activity is that of an operator of escape rooms. The Company is a wholly owned subsidiary of Escape Hunt plc.

DIRECTORS

The Directors of the Company who served during the year were:

Richard Harpham
Alistair Rae (resigned 31 July 2019)
Andrew Jacobs (appointed 8 August 2019)
Graham Bird (appointed 2 March 2020)

DIRECTORS' INDEMNITY INSURANCE

The Company has maintained throughout the year directors' and officers' liability insurance for the benefit of the Company, the Directors and its Officers.

EVENTS SINCE THE BALANCE SHEET DATE

COVID-19

Since the year end, it has become clear that the spread of the COVID-19 coronavirus will have a material impact on many economies globally both through the effects of the virus itself and the measures taken by governments to restrict its spread.

Given the emergence and spread of the COVID-19 virus is not considered to provide more information about conditions that existed as at the balance sheet date, this is considered to be a non-adjusting post balance sheet event and so the measurement of assets and liabilities in the accounts have not been adjusted for its potential impact. The directors have set out the post year end impact on going concern in the relevant section to the Directors Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice) including Financial Reporting Standard 101 Reduced Disclosure Framework. Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;

- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

The directors of the company who held office at the date of approval of this directors' report confirm that:

- so far as they aware, there is no relevant audit information, information needed by the company's auditors in connection with preparing their report, of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

Crowe UK LLP were appointed as auditors to the Company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Signed by order of the board

Richard Harpham

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Richard Harpham
Director

21 August 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESCAPE HUNT GROUP LIMITED

Opinion

We have audited the financial statements of Escape Hunt Group Limited (the 'company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 2.b in the financial statements, which indicates that the company had net current liabilities £8,809,040 at 31 December 2019 and is reliant on support from its parent undertaking to meet its financial obligations as and when they fall due including not recalling amounts owed within 12 months of the financial statements being signed. As stated n note 2.b, these events or conditions, along with the other matters as set forth in note 2.b, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the 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.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the 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.

M Stallabrass

Matthew Stallabrass (Senior Statutory Auditor)
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

St Bride's House
10 Salisbury Square
London
EC4Y 8EH

21 August 2020

ESCAPE HUNT GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Year ended 31 December 2019	Year ended 31 December 2018 (Restated)
		£	£
Continuing operations:			
Revenue	4	3,836,766	1,022,602
Cost of sales		(2,906,729)	(1,416,038)
Gross profit / (loss)		930,037	(393,436)
Administrative expenses		(3,520,474)	(1,788,916)
Operating loss		(2,590,437)	(2,182,352)
Interest Income		-	13,456
Loss before taxation	6	(2,590,437)	(2,168,896)
Corporation tax	8	-	-
Loss after taxation		(2,590,437)	(2,168,896)
Other comprehensive income		-	-
Total comprehensive loss for the year		(2,590,437)	(2,168,896)

The notes on pages 11 to 21 form an integral part of these Financial Statements.

ESCAPE HUNT GROUP LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	As at 31 December 2019 £	As at 31 December 2018 £
ASSETS			
Non-current assets			
Property, plant and equipment	9	3,846,490	4,256,552
Intangible assets	10	53,347	100,109
		3,899,837	4,356,661
Current assets			
Receivables, deposits and prepayments	11	12,497,400	12,334,418
Inventory		12,335	10,937
Cash and cash equivalents	12	260,000	331,122
		12,769,735	12,676,477
TOTAL ASSETS		16,669,572	17,033,138
LIABILITIES			
Creditors – amounts falling due within one year			
Trade creditors		150,015	519,931
Amounts due to fellow subsidiaries	14	651,802	73,796
Amounts due to parent company	13	19,733,260	17,960,170
Accruals and deferred income		870,321	768,817
Taxes and social security		158,262	21,478
Other creditors		15,115	7,712
		21,578,775	19,351,904
NET LIABILITIES		(4,909,203)	(2,318,766)
EQUITY			
Share capital	15	1,001	1,001
Accumulated losses		(4,910,204)	(2,319,767)
TOTAL SHAREHOLDERS' FUNDS		(4,909,203)	(2,318,766)

The notes on pages 11 to 21 form an integral part of these Financial Statements. The Financial Statements were approved by the Board of Directors on 21 August 2020 and signed on its behalf by:

Richard Harpham
Director

Company Number: 10676408

ESCAPE HUNT GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY
PERIOD ENDED 31 DECEMBER 2019

	Share capital	Accumulated losses	Total
	£	£	£
At 1 January 2018	1,001	(150,871)	(149,870)
Total comprehensive loss for the year	-	(2,168,896)	(2,168,896)
Balance at 31 December 2018	**1,001**	**(2,319,767)**	**(2,318,766)**
Total comprehensive loss for the year	-	(2,590,437)	(2,590,437)
Balance at 31 December 2019	**1,001**	**(4,910,204)**	**(4,909,203)**

The notes on pages 11 to 21 form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. General information

The Company was incorporated and registered in England and Wales on 17 March 2017 as a private limited company with registered number 10676408. The Company's registered office is 3 Pear Place, London, SE1 8BT. Its principal activity is that of an operator of escape rooms. The Company is a wholly owned subsidiary of Escape Hunt plc.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied unless otherwise stated.

(a) Basis of preparation

These Financial Statements are prepared under the historical cost convention as explained in the accounting policies below, and in accordance with United Kingdom Accounting Standards Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). Historical cost is generally based on the fair value of the consideration given in exchange of assets. The principal accounting policies are set out below.

As permitted under FRS101, the Company has adopted FRS 101 in the preparation of these Financial Statements and applied the relevant disclosure exemptions available in the standard. In particular:

- IFRS disclosures regarding financial instruments;
- IAS 1 requirement to disclose the company's objectives, policies and processes for managing capital; and
- IAS 7 production of a statement of cash flows.
- IAS 24 disclosure of related party transactions

During the year, as part of its decision-making process, the Company reviewed cost classifications and considered that certain costs should be treated as administration rather than direct costs of sale. Accordingly, a total of £175,375 which had been treated as a cost of sale in the financial statements for the year ended 31 December 2019 has been restated and included within administrative costs. The statement of comprehensive income statement has been restated to reflect this presentation. The restatement has had no impact on reported losses or equity.

(b) Going concern

Notwithstanding net current liabilities of £8,809,040 as at 31 December 2019 and a loss for the year then ended of £2,590,437, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its ultimate parent company, Escape Hunt plc, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Escape Hunt plc and other subsidiaries not seeking repayment of the amounts currently due to the group, which at 31 December 2019 amounted to £19.7m, and providing additional financial support during that period. Escape Hunt plc has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

(c) Revenue recognition

Revenue is recognised at the fair value of the consideration received or receivable taking into account discounts given.

The Company recognises licence fee revenues when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(d) Foreign currencies

The Company's financial statements are presented in sterling, which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the Company's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(e) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses, if any. The cost of an item of plant and equipment initially recognised includes its purchase price and any cost 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 calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

- Computer equipment:	- 33%
- Leasehold property and improvements	- 20%
- Escape Room games	- 50%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably.

The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Company is obligated to incur when the asset is acquired, if applicable.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on retirement or disposal is determined as the difference between any sales proceeds and the carrying amounts of the asset and is recognised in the income statement.

(f) Intangible assets

Software development

Software development costs are recognised as an expense except that costs incurred on development projects are capitalised as long-term assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if the Company can demonstrate all of the following:-

(i) its ability to measure reliably the expenditure attributable to the asset under development;

(ii) the product or process is technically and commercially feasible;

(iii) its future economic benefits are probable;

(iv) its ability to use or sell the developed asset; and

(v) the availability of adequate technical, financial and other resources to complete the asset under development.

Capitalised software development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as assets in subsequent periods.

Capitalised software development expenditure is amortised on a straight-line method over a period of two years and begins when development is complete and the asset is available for sale or use. In the event that it is no longer probable that the expected future economic benefits will be recovered, the development expenditure is written down to its recoverable amount.

(g) Impairment

(i) Impairment of financial assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period as to whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

An impairment loss in respect of loans and receivables financial assets is recognised in profit or loss and is measured as 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.

In a subsequent period, if the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In the case of equity investments classified as available-for sale, a significant or prolonged decline in the fair value of the security below its cost is evidence that the asset is impaired. If any such evidence exists, the cumulative loss, measured as the difference between the acquisition costs and the current fair value, less any impairment loss on that asset previously recognised in profit or loss, is removed from equity and recognised in profit or loss. If, in a subsequent period, the fair value of the asset increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is revered through profit or loss.

(ii) Impairment of non-financial assets

The carrying values of intangible assets are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

(h) Interest income

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

(i) Income taxes

Income tax for each reporting period comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax assets to be recovered.

Deferred tax relating to acquired intangible assets is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity.

(j) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank balances.

(l) Trade and other payables

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

(m) Leases

The Company leases certain property and equipment under operating leases. Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

There were no leases classified under the category of finance leases.

3. Summary of critical accounting estimates and judgments

In the application of the Company's accounting policies, which are described in Note 1, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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.

4. Revenue

	Year ended 31 Dec 2019 £	Year ended 31 Dec 2018 £
Revenues from escape rooms	3,836,766	1,022,602
	3,836,766	1,022,602

5. Loss before taxation

Loss before taxation is arrived at after charging / (crediting): -

	Year ended 31 Dec 2019 £	Year ended 31 Dec 2018 £
Fees payable for the audit of the Company's financial statements	8,025	22,200
Depreciation of plant and equipment	1,696,067	516,475
Amortisation of intangibles	46,762	40,177
Net foreign exchange differences	2,451	3,452
Interest income	-	(13,456)
Rental of offices	369,787	287,394

6. Staff Costs

	Year Ended 31 Dec 2019 No.	Year Ended 31 Dec 2018 No.
The average monthly number of employees including Directors was:	113	45

Aggregate remuneration (including directors):	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Wages and salaries (including bonuses)	1,514,334	690,849
Social security costs	81,611	40,543
Pension costs	38,994	10,281
	1,634,939	741,673

No remuneration was paid to the Directors in the year ended 31 December 2019 or in the period ended 31 December 2018.

7. Interest income

	Year Ended 31 Dec 2019	Year Ended 31 Dec 2018
	£	£
Bank interest	-	13,456
	-	13,456

8. Taxation

The Company has made no provision for taxation due to the availability of losses.

A reconciliation of income tax expense applicable to the loss before taxation at the statutory tax rate to the income tax expense at the effective tax rate of the Company is as follows:

	Year Ended 31 Dec 2019	Year Ended 31 Dec 2018
	£	£
Loss before taxation	(2,590,437)	(2,168,896)
Tax calculated at statutory tax rate of 19%	(492,183)	(412,090)
Tax effects of:		
Non-deductible expenses	21,892	-
Depreciation less capital allowances	57,185	(34,503)
Surrender of group relief	-	-
Unrelieved tax losses	412,452	442,309
Others	654	4,284
Tax expense	-	-

The Company has tax losses of approximately £4.7m which, subject to agreement with taxation authorities, are available to carry forward against future profits (2018: £2.5m).

9. Property, plant and equipment

	Leasehold improvements	Leasehold property	Fixtures, fittings and computers	Escape Room Games	Total
	£	£	£	£	£
Cost					
At 1 January 2018	430,624	124,978	1,053	58,536	615,191
Additions	2,081,747	120,717	198,108	1,759,345	4,159,917
At 31 December 2018	2,512,371	245,695	199,161	1,817,881	4,775,108
Additions	108,882	26,415	66,384	1,196,051	1,397,732
Capital contributions	(111,727)	-	-	-	(111,727)
As at 31 December 2019	2,509,526	272,110	265,545	3,013,932	6,061,113
Accumulated depreciation					
At 1 January 2018	-	1,160	88	833	2,081
Charge for the year	215,622	21,430	20,637	258,786	516,475
At 31 December 2018	215,622	22,590	20,725	259,619	518,556
Charge for the year	487,338	27,660	56,466	1,124,603	1,696,067
As at 31 December 2019	702,960	50,250	77,191	1,384,222	2,214,623
Carrying amounts					
At 31 December 2018	2,296,749	223,105	178,436	1,558,262	4,256,552
At 31 December 2019	1,806,566	221,860	188,354	1,629,711	3,846,490

The amount of expenditure recognised in the carrying value of leasehold improvements in the course of construction at 31 December 2019 is £nil (2018: £153,300).

10. Intangible assets

	Software development £	Portal £	Total £
Cost			
As at 1 January 2018	96,375	-	96,375
Transfers	(96,375)	96,375	-
Additions during the year	-	43,910	43,910
At 31 December 2018	-	140,285	140,285
Additions during the year	-	-	-
As at 31 December 2019	-	140,285	140,825
Accumulated Amortisation			
As at 1 January 2018	-	-	-
Charge for the year	-	40,176	40,176
At 31 December 2018	-	40,176	40,176
Charge for the year	-	46,762	46,762
As at 31 December 2019	-	86,938	86,938
Net Book Value			
At 31 December 2018	-	100,109	100,109
At 31 December 2019	-	53,347	53,347

11. Receivables, deposits and prepayments

	As at 31 Dec 2019 £	As at 31 Dec 2018 £
Trade receivables	196,710	3,242
Amounts due from parent company	12,000,843	12,000,843
Amounts due from fellow subsidiary	-	19,621
Recoverable VAT	14,342	179,436
Prepayments and other receivables	285,505	131,276
	12,497,400	12,334,418

The amounts due from Escape Hunt plc and a fellow subsidiary are unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash.

12. Cash and cash equivalents

Cash and cash equivalents comprise the following:-

	As at 31 Dec 2019 £	As at 31 Dec 2018 £
Cash and cash equivalents	260,000	331,122

13. Amounts due to parent company

	As at 31 Dec 2019 £	As at 31 Dec 2018 £
Escape Hunt plc	19,733,260	17,960,170

The amounts owing to the parent company are unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash. The directors consider that the carrying amounts approximate to their fair values.

14. Amounts due to fellow subsidiary

	As at 31 Dec 2019 £	As at 31 Dec 2018 £
	651,802	73,796

The amounts owing to the fellow subsidiary are unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash. The directors consider that the carrying amounts approximate to their fair values.

15. Share capital

The allotted, called-up and fully paid share capital of the Company is as follows: -

Issued and fully paid:	As at 31 Dec 2018 and 2019
1 ordinary share of £1 each	1
1,000 G shares of £1 each	1,000
	1,001

The Escape Hunt plc Executive Growth Share Plan ("EGSP") was established on 2nd May, 2017. Three directors and full-time employees of the Group were invited to participate under the EGSP.

Under the EGSP invitations were issued to three eligible employees inviting such employees to subscribe for a specified number of G Shares each at a specified price per G Share. The

Remuneration Committee has absolute discretion to select the persons to whom invitations were issued and in determining the number of G Shares which may be acquired pursuant to each invitation. The price payable for a G Share pursuant to an invitation is also determined by the Remuneration Committee.

During the year, 280 G shares were transferred to Escape Hunt plc following the resignation of a director.

16. Dividends

The Directors do not propose a dividend for the year ended 31 December 2019 (2018: nil).

17. Subsequent events

COVID-19

Since the year end, it has become clear that the spread of the COVID-19 coronavirus will have a material impact on many economies globally both through the effects of the virus itself and the measures taken by governments to restrict its spread.

Given the emergence and spread of the COVID-19 virus is not considered to provide more information about conditions that existed as at the balance sheet date, this is considered to be a non-adjusting post balance sheet event and so the measurement of assets and liabilities in the accounts have not been adjusted for its potential impact. The directors have set out the post year end impact on going concern in the relevant section to the Directors Report.

18. Ultimate controlling party

The Directors consider Escape Hunt plc, a company incorporated in England, to be the controlling party of the Company. The results of the Company are shown within the Consolidated Financial Statements of Escape Hunt plc. Copies of the Group accounts are available from the Company Secretary, Graham Bird, 3 Pear Place, London, SE1 8BT.