
ESCAPE HUNT PLC

Registered number 10184316

UNAUDITED CONDENSED INTERIM REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2018





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HIGHLIGHTS

18 September 2018

Escape Hunt plc (“Escape Hunt”, the “Company” or the “Group”) Unaudited Half Year Results for the Six Months ended 30 June 2018

Escape Hunt plc (AIM: ESC), a global leader in the high growth escape rooms sector, is pleased to announce its interim results for the half year ending 30 June 2018.

	Half year ended 30 June 2017 (£'000)*	Half year ended 30 June 2018 (£'000)
Revenue	193	800
Gross Profit	107	60
Adjusted EBITDA	(139)	(1,375)
Loss per share	(7.88p)	(18.57p)

* The results for the half year 2017 only include two months of trading of the Escape Hunt business which was acquired in May 2017.

H1 2018 OPERATIONAL AND FINANCIAL HIGHLIGHTS

- Escape Hunt's first three UK owner-operated sites opened in March with trading in line with expectations
- On target to have nine UK owner operated sites open before the year end
- Developed higher quality, deeply immersive escape room games all achieving #1 TripAdvisor scores
- Secured 5 year exclusive licence agreement with BBC Worldwide to create Doctor Who themed escape rooms
- Franchise network increased revenues by 12%, in constant currencies, in the first half of the year
- Adjusted EBITDA loss of £1.38m (2017: £0.139m)
- Loss in line with expectation and relates to advance build up of Head Office resource and initial site trading losses
- Net cash position of £6.4m at 30 June 2018 (31 December 2017: £10.6m)
- Basic loss per share ('EPS') of 18.57p (2017 loss per share: 7.88p)



CHAIRMAN'S STATEMENT

The strategic change from a pure play franchise model to a hybrid model, involving the roll out of owner-operated sites, has made very significant strides. There have been challenges along the way, which is perhaps not unexpected given that Escape Hunt is a relatively early stage business, and that it is raising the barriers to entry in what has been a "Ma & Pa" industry. The management's decision, post the acquisition, to rebrand the business and develop higher specification industry leading games came to fruition during the period. The objective is to provide a strong platform to differentiate the group from its competitors and to establish Escape Hunt as the premier brand in the rapidly evolving escape room sector.

Whilst we have had challenges to overcome, both in obtaining planning permission for our new UK sites as well as putting together a reliable supply chain for games production, we have now made good progress in both securing sites and finding production partners.

Since the agreement with the BBC, we are receiving much inbound interest from retail property operators, since experiential leisure is regarded as an attractive addition to the landscape to drive interest and footfall.

Although still at an early stage of its journey, Escape Hunt is beginning to reap the rewards of the repositioning of the business. We are particularly proud that all of our newly opened UK sites are already ranked at #1 on the TripAdvisor scores for the "Fun & Games" sector in their respective cities. The Group is delighted to report that, relative to the number of rooms opened, sales at the new UK sites is in line with expectations and EBITDA is ahead of expectations on the same basis. The focus in the short term is to ensure that performance across all of the Group's UK venues continues to show strong growth and also to ensure the smooth roll out of the remaining five sites this year. Together with the site at Bournemouth which was acquired in December 2017, Escape Hunt expects to have nine sites open by the end of this year.

The Group's premium games, coupled with the professionalism of the team, led to BBC Worldwide entering into an exclusive agreement with Escape Hunt to roll out and operate Doctor Who branded escape rooms over the next five years. Escape Hunt believes that the longer-term success of this industry, and the ability to achieve strong returns for stakeholders, is intertwined with the use of branded intellectual property. The business is greatly encouraged by the very positive response from the public to July's Doctor Who announcement, which bodes well for future sales and occupancy levels at the venues.

Management will concentrate on larger leisure/property partners for new franchising opportunities. They have the financial resources to develop multiple sites and support the production of more valuable games and higher marketing budgets.

As mentioned in the July trading update the strategic work referred to above took time to complete but plans are now being executed at pace. Given the evidence of the newly opened sites, the Group is reassured that the resultant format is producing the desired customer response and financial result and I am confident that Escape Hunt is building the foundations for a successful, high quality business.

Richard Rose
Non-Executive Chairman

18 September 2018



CHIEF EXECUTIVE'S REPORT

UK Roll Out - Escape Hunt commenced its UK roll out in March 2018, opening owner-operated sites in Birmingham, Bristol and Leeds. The Company's in-house design studio developed innovative, premium and deeply immersive escape games which were launched at these venues. Within only a few months of opening, all three locations had risen to #1 on TripAdvisor "Fun and Games" attractions in their respective cities. The strong ratings were accompanied by customer reviews saying that "Escape Hunt is redefining the industry" and its games are "exceeding expectations".

The Company is delighted that in the wake of the strategic review, which culminated in the rebranding and the development of higher quality games, it has delivered the desired results by differentiating Escape Hunt from its rivals and securing its position as the premier offering in the escape room sector.

The impressive customer reviews for the three locations have led to site revenue, relative to the number of rooms opened, being in line with expectations. EBITDA, on the same basis, is ahead of expectations for the three sites in the first half of the year. Escape Hunt identified the strategic importance of branded IP in driving occupancy at its venues and chose not to fill all available rooms with games initially, instead deciding to retain capacity for branded content. With the rebrand completed and the new website launched in July, Escape Hunt is now starting to market weekday capacity to corporates, which should further increase occupancy levels.

Whilst the precise timings of openings and early trading patterns are difficult to predict in early stage companies, Escape Hunt will be opening its next three sites in the coming weeks and will end the year with nine owner operated sites trading. As stated in the July trading update, the decision to hold back rooms for branded content impacted our original opening schedule, but we are now executing our plans at pace. The BBC deal has raised our profile amongst retail landlords and operators who regard us as valuable partners to attract customers and so drive their footfall. Accordingly, we believe there will be some good site opportunities and on attractive commercial terms for 2019. As these opportunities shape up, and once all this year's sites are operational and their trading record (including over the Christmas period) have been established and analysed the board will determine exactly how many sites and of what size / location they plan to open next year.

Branded IP Content - A key milestone for the Company has been the signing of a five year exclusive licence agreement with BBC Worldwide to create "Doctor Who" branded escape rooms. Escape Hunt will be rolling them out across its network, with the first due to open in December 2018 in Bristol, following the autumn launch of the new Doctor Who television series, with the rest expected to open in the following two months.

IP branded content deals such as this are an important element of Escape Hunt's strategy. Not only do they boost the brand appeal to the public and to corporate clients and help to drive increased occupancy levels, but the IP plays a significant part in differentiating Escape Hunt from the market and helps establish the Company as an entertainment player. The reaction to this announcement has been overwhelmingly positive with a sharp increase in Escape Hunt's following on all of its social media platforms and a near five-fold increase in people signing up to the Company's mailing list.

Team - Escape Hunt closed its Bangkok office in July 2018, following the establishment of a creative studio team in London. This small team is led by a recently recruited Creative Director who joined Escape Hunt from Merlin Entertainments PLC, and all key positions within the Company have now been filled with high calibre individuals from a variety of backgrounds in the television and entertainment space.

Game Rooms Production - Game construction has been a challenge for the Company, as the industry is still nascent, and there are very few professionalised, scalable design and build companies specialising in the Escape Room sector. Management has carried out a detailed evaluation of set-build contractors and has now identified

CHIEF EXECUTIVE'S REPORT (CONTINUED)

a handful of businesses with the requisite skillset to produce higher quality games on time and to budget. There are currently five games in production, and with Escape Hunt's game design team now working much more collaboratively with the external production teams, the Company expects to see this integrated approach achieve a more effective result.

Franchise Network - Escape Hunt's franchise revenues during the period increased 12%, in constant currencies, to US\$752k (£541k) compared to US\$669k (£523k) for the corresponding six months of last year. Escape Hunt acquired the business on 2 May 2017 so only two months of the Escape Hunt business' revenue were consolidated in the first half of last year and which amounted to £193k

The Company had 45 franchise sites at the end of last year. There were 43 at 30 June 2018 as three underperforming franchisees were closed and one new site opened. Four more sites have been contracted by our master franchisees and are scheduled to open in the second half of the year to take the total to 47.

Daily requests to open single site franchises are still being received by Escape Hunt but management is targeting property companies and experienced leisure franchisees as potential partners, who have the financial resources to open multiple sites. Such franchise partners are more able to support the increased costs of the new higher specification games and to spend more on local marketing, both of which will increase standards across the network, and ultimately the revenue share to Escape Hunt

Outlook

While it is still early days, the Company is greatly encouraged by the performance of its UK sites and is particularly excited by the opportunity with the BBC. Management's focus in the short term is to open the five new sites and to maximise their performance. It is anticipated that the launch of Doctor Who themed games and the effort on B2B marketing to corporates will further drive occupancy.

As referenced above, once all the information from all our UK sites has been assimilated and analysed, the Company will then make a decision in the early part of 2019 about the number and location of site openings in the UK next year, but in the meantime we are developing a pipeline of good sites.

FINANCIAL REVIEW

Group reported revenue was £800k in the first half of 2018. The reported revenue however was only £193k for the two months from the date of acquisition of the Escape Hunt business on 2 May 2017 to 30 June 2017. A more meaningful comparison is that of the franchise revenues for the first six months of 2017 and 2018, which shows a growth of 12%, in constant currencies, from \$669k (£523k) to \$752k (£541k). Given that there were fewer franchise outlets during the period, which fell from 45 to 43 branches, this was a creditable performance. Four new franchise outlets, which are all sub-franchisees of our existing master franchises, are scheduled to open in the second half of this year to increase the network to 47.

Owner-operated revenues were modest during the period at £259k reflecting the contribution from our Bangkok branch, and the three UK sites which only produced sales for three months following their opening in March. The Bangkok branch was closed at the end of July.

The adjusted EBITDA loss was £1,375k and is stated before deducting £144k of site pre-opening costs and £291k relating to the costs and provisions for closing the Bangkok premises. The EBITDA loss reflects the build-up of head office resource to support the opening and operation of multiple sites, and the post operating losses for the sites until they start to generate profits. The pre-opening costs are the direct property, site staff and direct

marketing costs in the period up to the month of the site opening. The total costs relating to the closure of the Bangkok office and branch amount to £291k, of which £45k is the write-off of assets in Bangkok and £246k is the cost of termination payments to the staff and the former Chief Creative Officer and also a provision for exiting the two properties.

The headline operating loss of £3,784k (2017: £1,057k) was largely inflated by the £1,823k amortisation of intangibles. This was derived from the £10.2m intellectual property acquired on the purchase of Escape Hunt last year, and £291k relating to the closure of the Bangkok office and branch and £144k of pre-opening costs. Only £1k was paid in taxation taking the loss after tax to £3,762k, which translates into a loss per share of 18.57p (2017 loss per share: 7.88p).

As at 30 June 2018 the Group had net cash of £6.4m compared with £10.6m at the start of the period. Capital expenditure of £2.2m, predominantly linked to the roll out of UK sites, and a £1.8m operating cash outflow accounted for most of the £4.2m decrease in net cash.

Richard Harpham
Chief Executive Officer

18 September 2018



STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE CONDENSED INTERIM REPORT AND CONDENSED FINANCIAL STATEMENTS

The directors confirm that the condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and that the Interim Report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed consolidated interim financial information, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last Annual Report.

The directors of Escape Hunt plc are listed on page 19 of this report. A list of current directors is maintained on the Company's web site: <http://investors.escapehunt.com/>

By order of the Board

Richard Rose
Non-Executive Chairman

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2018

	Note	Six months ended 30 June 2018 Unaudited £'000	Six months ended 30 June 2017 Unaudited £'000
Continuing operations			
Revenue	5	800	193
Cost of sales		(740)	(86)
Gross profit		60	107
Transaction expenses		-	(870)
Administrative expenses		(3,844)	(294)
Operating loss		(3,784)	(1,057)
Adjusted EBITDA		(1,375)	(139)
Amortisation of intangibles		(1,823)	(1)
Depreciation		(143)	(4)
Write-off of assets		(45)	-
Branch closure costs		(246)	-
Site pre-opening costs		(144)	-
Transaction costs		-	(870)
Share-based payment expense		(8)	(43)
Operating loss		(3,784)	(1,057)
Interest received		23	1
Loss before taxation		(3,761)	(1,056)
Taxation	7	(1)	(1)
Loss after taxation		(3,762)	(1,057)
Other comprehensive income:			
Items that may or will be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		23	-
Total comprehensive loss		(3,739)	(1,057)
Loss attributable to:			
Equity holders of Escape Hunt plc		(3,762)	(1,057)
Total comprehensive loss attributable to:			
Equity holders of Escape Hunt plc		(3,739)	(1,057)
Loss per share attributable to equity holders:			
Basic (Pence)	6	(18.57)	(7.88)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Note	As at 30 June 2018 Unaudited £'000	As at 31 December 2017 Audited £'000
ASSETS			
Non-current assets			
Property, plant and equipment	8	2,681	670
Intangible assets	9	8,610	10,280
Rental deposits		58	32
Loans receivable		107	-
		11,456	10,982
Current assets			
Trade receivables		19	15
Other receivables and prepayments		441	305
Cash and bank balances		6,385	10,645
		6,845	10,965
TOTAL ASSETS		18,301	21,947
LIABILITIES			
Current liabilities			
Trade payables		282	507
Deferred income		79	83
Other payables and accruals		825	478
		1,186	1,068

	Note	As at 30 June 2018 Unaudited £'000	As at 31 December 2017 Audited £'000
Non-current liabilities			
Deferred income		423	456
		423	456
TOTAL LIABILITIES		1,609	1,524
NET ASSETS		16,692	20,423
EQUITY			
Capital and reserves attributable to equity holders of Escape Hunt Plc			
Share capital	10	254	254
Share premium account		21,076	21,076
Merger relief reserve		4,756	4,756
Accumulated losses		(9,499)	(5,737)
Currency translation reserve		8	(15)
Capital redemption reserve		46	46
Share-based payment reserve		51	43
TOTAL EQUITY		16,692	20,423

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Share premium account £'000	Merger relief reserve £'000	Currency translation reserve £'000	Capital redemption reserve £'000	Share-based payment reserve £'000	Accumulated losses £'000	Total £'000
For the six months ended 30 June 2018:								
Balance as at 1 January 2018	254	21,076	4,756	(15)	46	43	(5,737)	20,423
Loss for the period	-	-	-	-	-	-	(3,762)	(3,762)
Other comprehensive income	-	-	-	23	-	-	-	23
Total comprehensive loss	-	-	-	23	-	-	(3,762)	(3,739)
Share-based payment charge	-	-	-	-	-	8	-	8
Transactions with owners	-	-	-	-	-	8	-	8
Balance as at 30 June 2018	254	21,076	4,756	8	46	51	(9,499)	16,692
For the six months ended 30 June 2017:								
Balance as at 1 January 2017	125	8,941	-	-	-	-	(1,608)	7,458
Loss for the period	-	-	-	-	-	-	(1,057)	(1,057)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive loss	-	-	-	-	-	-	(1,057)	(1,057)
Issue of shares	174	18,626	-	-	-	-	-	18,800
Share issue costs	-	(1,689)	-	-	-	-	-	(1,689)
Buy-back of shares	(46)	-	-	-	46	-	(46)	(46)
Share-based payment charge	-	-	-	-	-	43	-	43
Transactions with owners	128	16,937	-	-	46	43	(46)	17,110
Balance as at 30 June 2017	253	25,878	-	-	46	43	(2,711)	23,509

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2018

	Six Months Ended 30 June 2018 Unaudited £'000	Six months ended 30 June 2017 Unaudited £'000
Cash flows from operating activities		
Loss before income tax	(3,761)	(1,056)
Adjustments:		
Depreciation of property, plant and equipment	143	4
Amortisation of intangible assets	1,823	1
Write-off of property, plant and equipment	34	
Write-off of goodwill	11	
Share-based payment expense	8	43
Interest income	(23)	(1)
Operating cash flow before working capital changes	(1,765)	(1,009)
Increase in trade and other receivables	(141)	(197)
Foreign currency translation differences	23	-
Increase in trade and other payables	124	557
Decrease in deferred income	(37)	(21)
Cash used in operations	(1,796)	(670)
Income taxes paid	(3)	(27)
Net cash generated from / (used in) operating activities	(1,799)	(697)
Cash flows from investing activities		
Purchase of plant and equipment	(2,189)	(59)
Purchase of intangibles	(165)	-
Payment of deposits	(26)	-
Loans advanced to franchisees	(107)	-
Acquisition of subsidiary, net of cash acquired	-	(7,023)
Interest received	23	1
Net cash used in investing activities	(2,464)	(7,081)
Cash flows from financing activities		
Proceeds from issue of ordinary shares (net of buy-back)	-	13,953
Proceeds from issue of G shares	-	1
Share issue costs	-	(1,689)
Net cash from financing activities	-	12,265
Net (decrease) / increase in cash and bank balances	(4,263)	4,487
Cash and cash equivalents at beginning of period / year	10,645	7,923
Effects of exchange rate changes on the balance of cash held in foreign currencies	3	1
Cash and cash equivalents at end of period / year	6,385	12,411



NOTES TO THE UNAUDITED INTERIM REPORT

FOR THE SIX MONTHS ENDED 30 JUNE 2018

1. General information

The Company was incorporated in England on 17 May 2016 under the name of Dorcaster Limited with registered number 10184316 as a private company with limited liability under the Companies Act 2006. The Company was re-registered as a public company on 13 June 2016 and changed its name to Dorcaster Plc on 13 June 2016. On 8 July 2016, the Company's shares were admitted to AIM.

Until its acquisition of Experiential Ventures Limited on 2 May 2017, the Company was an investing company (as defined in the AIM Rules for Companies) and did not trade.

On 2 May 2017, the Company completed the acquisition of the entire issued share capital of Experiential Ventures Limited. Experiential Ventures Limited was the holding company of the Escape Hunt group which is a global provider of live 'escape the room' experiences.

On 2 May 2017, the Company's name was changed to Escape Hunt plc.

The Company's registered office is 3 Pear Place, London SE1 8BT.

2. Basis of preparation

These interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2017 annual report. The statutory financial statements for the year ended 31 December 2017 were prepared under IFRS and IFRIC interpretations as adopted by the European Union and in accordance with the requirements of the Companies Act 2006. The auditors reported on those financial statements; their Audit Report was unqualified.

The interim financial information is unaudited and does not constitute statutory accounts as defined in the Companies Act 2006.

The interim financial information was approved and authorised for issue by the board of directors on 17 September 2018.

3. Going concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The directors have assessed the Company's ability to continue in operational existence for the foreseeable future in accordance with the Financial Reporting Council's Guidance on the going concern basis of accounting and reporting on solvency and liquidity risks issued in April 2016.

The Company has prepared forecasts and projections which reflect the expected trading performance of the Company and the Group on the basis of best estimates of management using current knowledge and expectations of trading performance.

As at 30 June 2018, the Company had £6.4 million in cash which is considered sufficient for its present needs.

Based on the above, the Directors consider there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, as well as to fund the Company's future operating expenses. The going concern basis preparation is therefore considered to be appropriate in preparing these condensed financial statements.

4. Significant accounting policies

Other than as noted below, the Company has applied the same accounting policies, presentation, methods of computation, significant judgements and the key sources of estimation of uncertainties in its interim consolidated financial statements as in its audited financial statements for the period ended 31 December 2017, which have been prepared in accordance with International Financial Reporting Standards as adopted for use by the European Union.

These accounting policies will be adopted in the Group's full financial statements for the year ending 31 December 2018.

Changes in accounting policy

The Group has adopted the following new standards and interpretations which became effective on 1 January 2018 with no significant impact on its consolidated financial in these financial statements:

- IFRS 9 'Financial instruments'.
- IFRIC 22 'Foreign currency transactions and advance consideration'.
- IFRIC 23 'Uncertainty over income tax treatments'.
- Amendments to IFRS 2 'Classification and measurement of share-based payment transactions'.
- Annual improvements to IFRS standards 2014-2016 cycle: IFRS 1 and IAS 28.

Impact of accounting standards to be applied in future periods

IFRS 16 'Leases' has been issued by the International Accounting Standards Board that is effective for periods beginning subsequent to 31 December 2018 (the date on which the Company's next annual financial statements will be prepared up to) which the Company has decided not to adopt early.

IFRS 16 supersedes IAS 17 Leases and introduces a new single lessee accounting model which eliminates the current distinction between operating and finance leases for lessees. IFRS 16 requires lessees to capitalise all leases on the statement of financial position by recognising a 'right-of-use' asset and a corresponding lease liability for the present value of the obligation to make lease payments, except for certain short-term leases and leases of low-value assets. Subsequently, the lease assets will be amortised and the lease liabilities will be measured at amortised cost.

From the perspective of the Group, the classification and accounting for operating and finance leases remains substantially unchanged under IFRS 16. IFRS 16 also requires enhanced disclosures by both lessees and lessors.

On initial adoption of this standard, there is likely to be a potentially significant impact on the accounting treatment for the Group's leases, particularly rented properties, which the Group, as lessee, currently accounts for as operating leases. On initial adoption of IFRS 16 the Group will be required to capitalise its rented properties at the lease commencement date in the statement of financial position by recognising them as right-of-use assets

NOTES TO THE UNAUDITED INTERIM REPORT (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2018

and their corresponding lease liabilities. The right-of use asset will be amortised over the term of each lease and a finance charge will be made by reference to the lease liability and discount rate. The liability is initially to be measured at the present value of future minimum lease payments. The discount rate is the rate implicit in the lease, if readily determinable.

The Group plans to adopt the standard in the financial year beginning on 1 January 2019 with full retrospective effect in accordance with the transitional provisions and will include required additional disclosures in its financial statements for that financial year. The Group will make a detailed assessment of the impact of this standard prior to transition.

The right-of use asset will be amortised over the term of each lease and a finance charge will be made by reference to the lease liability and discount rate. The liability is initially to be measured at the present value of future minimum lease payments. The discount rate is the rate implicit in the lease, if readily determinable. As at 30 June 2018, the Group had entered into 11 property leases which had commenced prior to the period end (31 December 2017: five).

5. Segment information

The Company was an investing company and did not trade until its acquisition of Experiential Ventures Limited on 2 May 2017. Since the acquisition, management considers that the enlarged group has two operating segments. Revenues are reviewed based on the nature of the services provided as follows:

1. The franchise business, where all franchised branches are operating under effectively the same model; and
2. The owner-operated branch business, which consists of Bangkok and the UK.

The Group operates on a global basis. At present, the Company has active franchisees in over 20 countries. The Company does not presently analyse or measure the performance of the franchising business into geographic regions or by type of revenue, since this does not provide meaningful analysis to managing the business.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Six months ended 30 June 2018	Owner operated £'000	Franchise operated £'000	Unallocated £'000	Total £'000
Revenue	259	541	-	800
Cost of sales	(530)	(210)	-	(740)
Gross profit / (loss)	(271)	331	-	60
Profit/(loss) from operations:				
Interest income	-	-	23	23
Expenses				
- Administrative	(254)	(271)	(909)	(1,434)
- Depreciation and amortisation	(152)	(1,727)	(87)	(1,966)
- Write-off of assets	-	(45)	-	(45)
- Closure of Bangkok operation	(36)	(211)	-	(247)
- Pre-opening costs	(144)	-	-	(144)
- Share-based payment expenses	-	-	(8)	(8)
Profit/(loss) from operations before tax	(857)	(1,923)	(981)	(3,761)
Taxation	-	(1)	-	(1)
Profit / (loss) for the period	(857)	(1,924)	(981)	(3,762)
<u>Other information:</u>				
Segment assets	2,960	173	15,168	18,301
Segment liabilities	359	760	490	1,609

Six months ended 30 June 2017	Owner operated £'000	Franchise operated £'000	Unallocated £'000	Total £'000
Revenue	21	172	-	193
Cost of sales	(15)	(71)	-	(86)
Gross profit	6	101	-	107
Profit/(loss) from operations				
Expenses:				
- Administrative	(7)	(52)	(191)	(250)
- Transaction	-	-	(870)	(870)
- Share-based payment expense	-	-	(43)	(43)
Profit/(loss) from operations before tax	(1)	49	(1,104)	(1,056)
Taxation	-	(1)	-	(1)
Profit/(loss) for the period	(1)	48	(1,104)	(1,057)
<u>Other information:</u>				
Segment assets	146	1,139	24,024	25,309
Segment liabilities	8	1,166	625	1,799

NOTES TO THE UNAUDITED INTERIM REPORT (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2018

6. Loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders by the weighted average number of ordinary shares in issue during the period. Diluted loss per share is not presented as the potential ordinary shares from the exercise of warrants are not dilutive.

	Six months ended 30 June 2018 Unaudited £	Six months ended 30 June 2017 Unaudited £
Loss after tax (£000)	(3,762)	(1,057)
Weighted average number of shares:		
- Basic	20,259,258	13,419,752
Loss per share		
- Basic	0.1857	0.0788

7. Taxation

The tax charge is based on the expected effective tax rate for the year. The Group estimates it has tax losses of approximately £2m as at 30 June 2018 which, subject to agreement with taxation authorities, would be available to carry forward against future profits. The estimated tax value of such losses amounts to approximately £400k.

8. Property, plant and equipment

	Leasehold property £'000	Office equipment £'000	Computers £'000	Furniture and fixtures £'000	Escape games £'000	Total £'000
Cost						
At 31 December 2017	575	15	36	5	59	690
Additions	1,517	15	46	69	542	2,189
Amounts written off	(20)	(16)	(21)	(5)	-	(62)
Currency translation differences	-	-	1	-	-	1
As at 30 June 2018	2,072	14	62	69	601	2,818
Accumulated depreciation						
At 31 December 2017	(4)	(3)	(11)	(1)	(1)	(20)
Depreciation charge	(76)	(3)	(11)	(3)	(50)	(143)
Released on write-off of assets	7	5	14	2	-	28
Currency translation differences	(1)	-	(1)	-	-	(2)
As at 30 June 2018	(74)	(1)	(9)	(2)	(51)	(137)
Carrying amounts						
At 31 December 2017	571	12	25	4	58	670
At 30 June 2018	1,998	13	53	67	550	2,681

Amounts written-off relate to the closure of the Bangkok branch.

9. Intangible assets

	Goodwill £'000	Trademarks and patents £'000	Intellectual property £'000	Franchise Business £'000	App Quest £'000	Portal £'000	Total £'000
Cost							
At 1 January 2017	-	-	-	-	-	-	-
Additions	1,304	32	10,195	802	100	-	12,433
At 30 June 2017	1,304	32	10,195	802	100	-	12,433
Additions	100	-	-	-	-	122	222
Transfers	-	(19)	-	-	-	19	-
At 31 December 2017	1,404	13	10,195	802	100	141	12,655
Additions	-	31	90	-	-	44	165
Amounts written-off	(11)	-	-	-	-	-	(11)
As at 30 June 2018	1,393	43	10,285	802	100	185	12,809
Accumulated amortisation							
At 1 January 2017	-	-	-	-	-	-	-
Amortisation	-	(12)	-	-	-	-	(12)
As at 30 June 2017	-	(12)	-	-	-	-	(12)
Amortisation	-	-	(2,266)	(76)	(21)	-	(2,363)
Transfers	-	12	-	-	(12)	-	-
At 31 December 2017	-	-	(2,266)	(76)	(33)	-	(2,375)
Amortisation	-	(3)	(1,715)	(57)	(25)	(23)	(1,823)
At 30 June 2018	-	(3)	(3,981)	(133)	(58)	(23)	(4,199)
Carrying amounts							
At 30 June 2017	1,304	19	10,195	802	100	-	12,420
At 31 December 2017	1,404	13	7,929	726	67	141	10,280
At 30 June 2018	1,393	40	6,304	669	42	162	8,610

Goodwill written-off relates to the closure of the Bangkok branch.

NOTES TO THE UNAUDITED INTERIM REPORT (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2018

10. Share capital

	Six months ended 30 June 2018 Unaudited £'000	Year ended 31 December 2017 Audited £'000
As at beginning of period / year	254	125
Issued during the period / year	-	175
Buy-back of shares	-	(46)
As at end of period / year	254	254

During the six months ended 30 June 2018, there were no changes in the issued share capital of the Company

11. Key management personnel compensation

	Six months ended 30 June 2018 Unaudited £'000	Six months ended 30 June 2017 Unaudited £'000
Salaries and benefits (including directors)	304	58
Share-based payments	8	-
Social security costs	35	-
Other post-employment benefits	6	-
Less amounts capitalised	(56)	-
Total	297	58

12. Seasonality of the Group's business

There are no seasonal factors which materially affect the operations of any company in the Group.

13. Events after the reporting period

In July 2018, the Group signed a five-year licence with BBC Studios to roll out Doctor Who themed rooms across the UK.



COMPANY INFORMATION

Directors

Richard Rose, Independent Non-Executive Chairman
Richard Harpham, Chief Executive Officer
Alistair Rae, Chief Financial Officer
Adrian Jones, Non-Executive Director
Karen Bach, Non-Executive Director

Company secretary

Alistair Rae

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