

REGISTERED NUMBER: 11618864 (England and Wales)

Group Strategic Report, Report of the Directors and
Audited Consolidated Financial Statements
for the Year Ended 31 March 2024
for
MFT CAPITAL LTD

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MFT CAPITAL LTD

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for the Year Ended 31 March 2024

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MFT CAPITAL LTD

Company Information
for the Year Ended 31 March 2024

DIRECTORS:

R J Beese
D J White

REGISTERED OFFICE:

3 Sheen Road
Richmond Upon Thames
TW9 1AD

REGISTERED NUMBER:

11618864 (England and Wales)

AUDITORS:

Feltons Chartered Accountants & Statutory Auditor
1, The Green
Richmond
TW9 1PL

ACCOUNTANTS:

SKS Business Services Ltd.
3 Sheen Road
Richmond Upon Thames
England
TW9 1AD

MFT CAPITAL LTD

Group Strategic Report for the Year Ended 31 March 2024

The directors of MFT Capital Ltd present their strategic report for the year ended 31 March 2024.

PRINCIPAL ACTIVITIES

MFT Capital Ltd is the proud owner and operator of popular hospitality and leisure brands, including Flip Out Adventure Parks, which is the UK's leading trampoline and adventure park brand and operates in numerous countries across the world, Putt Putt Social Adventure Golf, which offers an immersive mini golf experience inspired by the far east, and Immersive Cafes which operates numerous licensed cafes in major Primark stores.

Our business model combines both owner-operated and franchised businesses, offering a diverse range of entertainment options to our valued customers. As we reflect on the past year, we are pleased to present this strategic report that provides an overview of our business performance and outlines our future development plans.

BUSINESS REVIEW

The year under review remained one with significant challenges not least due to the cost of living crisis that has impacted the UK for a significant amount of time. There has been inflation pressure on input costs and in particular wages as well as a restriction on our customers discretionary spend.

Despite these challenges, we continued our strategy of taking small price increases to ensure that the customer still received exceptional value for their spend. This measured approach allowed us to balance the need for sustainable profitability while minimising any financial burden on our loyal customer base.

We are not immune to the inflationary pressures on the leisure and retail industry in general and we took steps to mitigate this impact without compromising the offer to our guests. During the financial year the Group opened several new sites. This included 2 joint Flip Out and Putt Putt Social sites in Telford and Poole respectively. The Group also saw the openings of Flip Out Liverpool, Flip Out Bradford, Flip Out York and Flip Out Canary Wharf. The Group also commenced during the year the management under licence of 9 Primark themed cafes. The Group also had a Putt Putt Social site in build in Gloucester.

Group turnover for the year was £20.8 m (2023 - £16m) with a gross profit margin of 61.72% (2023 - 65.00%). The loss for the period was £7.8m (2023 - loss of £4.4m). Other costs increased as the Group increased overhead in readiness for expansion of the managed and franchise business in the next financial year in particular.

Group fixed assets for the year were £14.45m (2023 - £18.65m) with the decrease due to an impairment provision offsetting new suite builds and acquisition additions. Net current liabilities have increased by £3.4m in the year. This is due to a decrease in the value of debtors. Furthermore, there was an increase in creditors falling due within one year to £12.9m (2023 - £9.7m) driven by investment in new acquisitions and builds. Creditors falling due after more than one year have increased to £6.8m (2023 - £6.3m) due to additional financing obtained for new builds.

Looking ahead while economic uncertainty and inflationary cost pressures are set to persist in the short term, we believe the group is in an excellent position to capitalise on opportunities in the marketplace. We are in a position to open new sites into 2025 and whilst, we would expect costs to remain higher than they were prior to the war in Ukraine, we continue to mitigate these effects through our new supplier partnerships and cost engineering strategy.

Throughout the year, we have observed that our customer numbers have remained stable, reflecting the resilience of our brand and the enduring appeal of our offerings to the public. However, our continued success is not without its challenges. We are vigilant about the potential impact of rising inflation and the cost of living on customer spending habits. Additionally, the broader economic landscape remains uncertain, necessitating a vigilant and adaptable approach to our operations.

MFT CAPITAL LTD

Group Strategic Report for the Year Ended 31 March 2024

PRINCIPAL RISKS AND UNCERTAINTIES

In the dynamic landscape of the leisure and hospitality industry, our organisation remains attuned to a spectrum of potential challenges and uncertainties that may impact our operations. By proactively identifying and addressing these risks, we aim to ensure a stable and sustainable journey ahead.

Economic risk

The ever-shifting economic landscape poses one of the most significant and far-reaching risks to our operations. As the global and local economies experience fluctuations, our business may be influenced by factors such as inflation, changes in consumer spending patterns, and broader economic downturns. We acknowledge these uncertainties and remain committed to maintaining a vigilant eye on economic indicators, allowing us to adapt our strategies and operations accordingly.

Financial risk

Sound financial management is the bedrock of the Group's success. We recognise that financial risk is an inherent part of any business venture, and we have established stringent risk management protocols to safeguard our financial stability. These risks include currency exchange fluctuations, liquidity constraints, and the need to secure sustainable funding. Our approach to financial risk centres on prudent financial planning, diversification of financial assets, and effective cash flow management.

Threat of competition

In an industry characterised by innovation and rapid development, competition is an ever-present reality. The threat of competition, particularly from new entrants or industry disruptors, challenges us to consistently enhance our offerings and remain at the forefront of the leisure and entertainment market. We see competition as a catalyst for innovation, motivating us to continue investing in new attractions, improved customer experiences, and strategic partnerships that set us apart.

Business risks

Beyond the generic risks inherent to the broader industry, MFT Capital Ltd faces specific business risks. One notable challenge pertains to managing large-scale property deals for our expanding network of entertainment facilities. This involves intricate negotiations and substantial capital investments. We are prepared to mitigate these risks through careful financial planning, leveraging our reputation as anchor tenants, and rigorous due diligence on property deals.

Additionally, the shift towards sustainability and ethical practices has become an influential factor. We recognise the increasing emphasis on environmental responsibility, and we are taking proactive steps towards minimising our environmental footprint. This includes exploring opportunities to incorporate renewable energy solutions like solar power, which not only align with environmental concerns but also reduce long-term operational costs.

We understand that navigating these risks and uncertainties requires agility and the ability to adapt swiftly to changing conditions. We look to the future with a readiness to overcome these challenges, secure in the knowledge that our dedicated team, strong leadership, and the unwavering support of our stakeholders are valuable assets in managing these risks.

FINANCIAL KEY PERFORMANCE INDICATORS

For a comprehensive assessment of our financial performance, we are pleased to provide the following key indicators:

1. Revenue Growth:

Our revenues have grown significantly, reflecting a rapid increase aligned with our pricing strategy. Year-over-year, revenue grew by approximately £4.8m, rising from £16m to £20.8m - a 30% increase. This growth was driven by a combination of new site openings and the refurbishment of existing locations.

2. Gross Profit Margin:

Despite an increase in the cost of sales alongside higher turnover, our gross profit margin has remained within acceptable limits. The margin stands at 61.72% in 2024, compared to 65.00% in 2023, demonstrating effective financial management and cost control.

MFT CAPITAL LTD

Group Strategic Report for the Year Ended 31 March 2024

3. Cost Control:

We have implemented rigorous cost-control measures to mitigate the impact of rising expenses however despite these administrative expenses rose from £12m to £19.8m as the Group increased overheads in readiness for expansion of the management and franchise business in the next financial year in particular and impairment losses for few sites which are not profit making. Inflationary pressures also contributed to this increase in costs.

OTHER KEY PERFORMANCE INDICATORS

Operational Enhancements

During the year, our Senior Management Team (SMT) conducted an in-depth analysis of our opening hours and staffing matrix. This comprehensive review was undertaken to ensure that our operations run at maximum efficiency during peak times. As a result, we have optimised our staffing levels and operating hours to better meet the demands of our customers, ensuring an exceptional experience.

Key Management and Staff Development

We are proud to report that we have retained all key management positions, ensuring continuity and stability within our organisation. Additionally, we have promoted multiple individuals from within our company, fostering a culture of growth and development.

Employee Incentive Programs and Automation Prospects

Throughout the year, we have introduced staff incentive programs, aimed at recognising and rewarding the hard work and dedication of our employees. Looking ahead, we are exploring the prospect of automation systems to further enhance operational efficiency in the near future.

Innovation in Games and Equipment

We are actively investing in the development of new games and equipment to enrich the experiences we offer to our customers. This commitment to innovation is integral to our growth strategy.

Refinement of Food and Beverage Operations

Our Food and Beverage (F&B) operations have undergone refinements to ensure that we continue to provide high-quality offerings that complement our entertainment experiences.

Enhanced Customer Satisfaction

We are delighted to report an increase in our Customer Satisfaction (CSAT) scores, a testament to our unwavering commitment to delivering exceptional experiences to our patrons.

Revenue Growth and Prospects

Lastly, it is worth noting that some of our stores saw year-on-year (YOY) revenue growth, a positive sign of the enduring popularity of our offerings and the effectiveness of our strategic initiatives.

Equipment and Park Refits

Ongoing research has identified parks that would benefit from additional equipment and park refits. Past performance indicators demonstrate that these investments will have a very positive impact on sales. Accordingly, we will allocate funds to this area, with expectations of positively impacting the 24-25 financial figures.

Expansion and Property Deals

We are actively sourcing a large number of new properties deals throughout the UK, many of which come with attractive incentives. Our reputation as anchor tenants, with an average of 250,000 paying customers per park, has positioned us favourably with landlords. This expansion strategy will further strengthen our market presence and contribute to our continued success.

MFT CAPITAL LTD

Group Strategic Report for the Year Ended 31 March 2024

DIRECTORS' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE GROUP

Section 172(1) of the Companies Act 2006 requires Directors to take into consideration the interests of the stakeholders in their decision making. The Directors continue to have regard to the interests of the Group's employees and other stakeholders, including the impact of its activities on the community, the environment and the group's reputation, when making decisions. Acting in good faith and fairly between members, the Directors consider what is most likely to promote the success of the Group in the long term.

The Directors are fully aware of their responsibilities to promote the success of the Group in accordance with section 172 of the Companies Act 2006. To ensure the Group meets this, the Directors regularly reflect on how the Group engages with its stakeholders and opportunities for enhancement with stakeholders themselves. Such stakeholders include shareholders, employees, customers, and suppliers.

ENVIRONMENT AND EMPLOYEE MATTERS

At MFT Capital Ltd, we recognise our responsibility to operate sustainably and ethically. We are committed to minimising our environmental footprint through responsible business practices. As part of our sustainability efforts, we are actively looking into solar power solutions for properties that could benefit from it. This initiative aligns with our commitment to reducing carbon emissions and promoting energy efficiency.

Our employees are integral to our success, and we prioritise their well-being and development. We have undertaken initiatives to reduce our carbon emissions and promote energy efficiency. In addition, we foster a diverse and inclusive work environment, ensuring equal opportunities for all our employees. Our commitment to employee welfare extends to providing training and development programs, as well as employee engagement activities.

ENGAGEMENT WITH STAKEHOLDERS

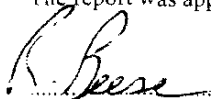
Our commitment to stakeholders is unwavering. We actively engage with our employees, shareholders, customers, suppliers, and the wider community to ensure a harmonious and mutually beneficial relationship. Throughout the year, we have maintained open channels of communication with employees, systematically providing them with information on matters of concern. Regular consultations with employee representatives have allowed us to consider their valuable input in our decision-making processes and which has influenced decisions ranging from refurbishment priorities to marketing activities. Furthermore, we actively encourage employee involvement through bonus schemes and other initiatives that align their interests with the Group's performance.

Our interactions with suppliers, customers, and other stakeholders are characterised by transparency and fairness. We recognise the importance of fostering strong business relationships with these entities and consider their interests in our strategic decisions. These relationships are critical to our continued success, and we are committed to nurturing them.

In conclusion, MFT Capital Ltd remains dedicated to delivering exceptional entertainment experiences to our customers while maintaining financial stability. As we navigate the challenges of an ever-evolving economic landscape, we are confident in our ability to adapt and thrive, thanks to the collective efforts of our dedicated team and the enduring support of our stakeholders.

ON BEHALF OF THE BOARD:

The report was approved by the Board on 5 June 2025 and signed on its behalf by:


.....
R J Beese - Director

Date: 5 June 2025

MFT CAPITAL LTD

Report of the Directors for the Year Ended 31 March 2024

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2024.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements 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.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The financial statements have been prepared on a going concern basis. At the balance sheet date, the Company had net current liabilities of £9.1m and a negative reserves position of £1.98m. These conditions indicate the existence of a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

However, the directors have reviewed the Company's financial position, cash flow forecasts, and future funding requirements. The directors have confirmed that they are willing and able to provide financial support for a period of at least 12 months from the date of approval of these financial statements, to enable the Company to meet its liabilities as they fall due. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIVIDENDS

The loss for the year, after taxation, amounted to £7,857,836 (2023 - loss £4,397,743). During the year, interim dividend £230,000 (2023 - £3,085,000) were paid.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2023 to the date of this report.

R J Beese
D J White

MFT CAPITAL LTD

Report of the Directors for the Year Ended 31 March 2024

FUTURE DEVELOPMENTS

We are actively exploring different brands to add to our portfolio. This strategic move aligns with our commitment to diversify and expand our business offerings.

Post year end, We do play secured the exclusive rights in the UK to operate activate on a franchisee model. Activate is a Canadian based company operating in 36 locations across North America and 1 more in Dubai. The experience is the world's first active gaming facility where the player interacts with the cutting edge technology found in each dynamic and unique room. The first site in the UK opened at the O2 in London in December 2024 and The We Do Play Group plans to open 30 Activate sites over the next 3 years.

DISABLED EMPLOYEES

The Group has employment policies which give full and fair consideration to disabled persons as applicants and employees, having regards to their particular aptitudes and abilities. Where possible, the Group will make appropriate changes and provide training to ensure those who may become disabled whilst employed, can continue in employment, and will otherwise provide training and support for the career development and promotion of any such employees within the Group.

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS

Our commitment to stakeholders is unwavering. We actively engage with our employees, shareholders, customers, suppliers, and the wider community to ensure a harmonious and mutually beneficial relationship. Throughout the year, we have maintained open channels of communication with employees, systematically providing them with information on matters of concern. Regular consultations with employee representatives have allowed us to consider their valuable input in our decision-making process and led to changes in various facets of the business including changes to how we rota effectively so not to just maximise productivity but allow employees a better work balance. The management team and board ensure they visit new and existing centres multiple times per year and attend the monthly management meetings. This engagement has enabled us to deliver internal training and wellbeing initiatives to support the team. All feedback is collated in the company's internal database. This allows management to make informed decisions and put plans in place. Furthermore, we actively encourage employee involvement through bonus schemes and other initiatives that align their interests with the Group's performance.

Our interactions with suppliers, customers, and other stakeholders are characterised by transparency and fairness. We recognise the importance of fostering strong business relationships with these entities and consider their interests in our strategic decisions. These relationships are critical to our continued success, and we are committed to nurturing them.

In conclusion, MFT Capital Ltd remains dedicated to delivering exceptional entertainment experiences to our customers while maintaining financial stability. As we navigate the challenges of an ever-evolving economic landscape, we are confident in our ability to adapt and thrive, thanks to the collective efforts of our dedicated team and the enduring support of our stakeholders.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION

The Group is a large unquoted company under the Streamlined Energy Consumption and Carbon regulations and must report its greenhouse gas emissions from Scope 1 and 2 Electricity, Gas and Transport annually. The Group has followed the 2019 HM Government environmental reporting guidelines to ensure compliance with the SECR requirements. The UK Government issued 'Greenhouse gas reporting: conversion factors 2022' conversion figures for CO₂e, along with the fuel property figures to determine the kWh content for reclaimed muleage. The chosen intensity measurement ratio is total gross emissions in Kgs CO₂e/Site. Energy usage information (Gas and Electricity) has been obtained directly from their energy suppliers via invoices.

| | 2024 | 2023 |
|--|-----------|-----------|
| Energy consumption used to calculate emissions (kWh) | 2,315,992 | 2,241,867 |
| Grid Electricity | 1,788,945 | 1,667,944 |
| Natural Gas | 442,431 | 383,648 |
| Company Fleet | 0 | 0 |
| Grey Fleet | 84,616 | 190,276 |
| Scope 1 emissions in metric tonnes Co ₂ e | | |
| Natural Gas | 89.49 | 77.45 |

MFT CAPITAL LTD

Report of the Directors
for the Year Ended 31 March 2024

| | | |
|---|------------------|------------------|
| Natural Gas | 89.49 | 77.45 |
| Company Fleet | 0.00 | 0.00 |
| Total Scope 1 Consumption (kWh) | 442,431 | 383,648 |
| Scope 2 emissions in metric tonnes Co2e | | |
| Grid Electricity | 370.44 | 322.55 |
| Total Scope 2 Consumption (kWh) | 1,788,945 | 1,667,944 |
| Scope 3 emissions in metric tonnes Co2e | | |
| Grey Fleet | 84.62 | 48.06 |
| Total Scope 3 Consumption (kWh) | 84,616 | 190,276 |
| Total Gross Emissions in metric tonnes Co2e | 545 | 448 |
| Total Consumption (kWh) | 2,315,992 | 2,241,867 |

Quantification and reporting methodology

We have followed 2019 HM Government environmental reporting guidelines to ensure compliance with the SECR requirements. The UK government issued "Greenhouse gas reporting: conversion factors 2023" conversion figures for CO2e were used.

Intensity measurement

The chosen intensity measurement ratio is number of operating sites.

Measures taken to improve energy efficiency

MFT Capital Ltd continue to strive for energy and carbon reduction arising from their activities. During this reporting period MFT Capital have:

- Continued to move to 100% renewable supplies.
- Introduced PIR lighting.
- Replaced normal lights to energy saving Lights-LED
- Encouraged General Managers to pool share for company meetings.

Materiality

MFT Capital Ltd are reporting upon all the required fuel sources as per SECR requirements. UK government fuel properties used to convert to kWh and tCO2e. Future developments The Group will continue to roll out selectively its Flip Out and Putt Putt Social brands by opening new sites across the UK and to explore further opportunities to grow the We Do Play brand via franchising with suitable partners.

MFT CAPITAL LTD

Report of the Directors
for the Year Ended 31 March 2024

DISCLOSURE OF INFORMATION TO AUDITORS

- Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that: so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information

POST BALANCE SHEET EVENTS

The following sites were disposed/transferred post year end and subsequently left the MFT Capital Ltd Group:

- FO Croydon on 21/05/2024
- FO Liverpool on 01/05/2024
- FO Basingstoke on 16/09/2024
- FO Telford on 23/09/2024
- FO Rushden Lakes on 01/12/2024
- FO Chester on 13/12/2024
- FO Ashford on 18/12/2024

Despite the dedicated efforts of the board and management of MFT Capital Ltd Group, four out of the seven sites within the group were adversely impacting overall profitability. These sites struggled to generate adequate cash flow to sustain their operations and cover financing costs, posing a challenge to the Group's financial performance. The revenue and profit after tax for the disposed/transferred sites for the year ended 31 March 2024 are as follows:

| | Turnover £ | Profit/(Loss after tax) £ |
|------------------|---------------|------------------------------|
| FO Croydon | - | (39,453) |
| FO Liverpool | 740,434 | (1,581,120) |
| FO Basingstoke | 1,260,403 | 169,919 |
| FO Telford | 1,340,356 | (3,419,765) |
| FO Rushden Lakes | - | (16,758) |
| FO Chester | 2,282,011 | 320,960 |
| FO Ashford | 1,327,073 | 50,025 |

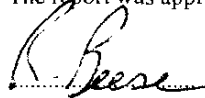
The disposal/transfer of seven sites post year-end resulted in a revenue loss of £6.9m (FY 2023-24) their exit led to a decrease in fixed assets by £2.4 m as at March 2024.

AUDITORS

The auditors Feltons Chartered Accountants, will be proposed for appointment in accordance with section 485 of the Companies Act for FY 2024-25.

ON BEHALF OF THE BOARD:

The report was approved by the Board on 5th June 2025 and signed on its behalf by:


R J Beese - Director

Date: 5 June 2025

Report of the Independent Auditors to the Members of
MFT CAPITAL LTD

Opinion

We have audited the consolidated financial statements of MFT capital Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the consolidated profit and loss account, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flow, the consolidated statement of changes in equity, the company 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 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 March 2024 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 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, Accounting policies, in the financial statement, which indicates that the group is dependent on its directors for operational and financial support. These events or conditions, along with other matters set forth in note 2, indicate a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter. 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. Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant section 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.

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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
MFT CAPITAL LTD

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6 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 parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Group and Parent Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements for trampolining and indoor leisure activity businesses, such as minimum wage and health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006, income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- inspecting correspondence with regulators and tax authorities;
- discussions with management and reviewing board minutes for indications of known or suspected
- instances of non-compliance with laws and regulation and fraud;
- evaluating management's controls designed to prevent and detect irregularities;

Report of the Independent Auditors to the Members of
MFT CAPITAL LTD

- reviewing sales either side of the year end to ensure that the income has been recognised in the correct financial period;
- identifying and testing journals, in particular journal entries posted with a round sum value, that significantly impact profit, are outside of the course of ordinary trading activities or contain key words; and;
- challenging assumptions and judgements made by management in their critical accounting estimates, particularly in respect of their assessment of impairment of the carrying value of goodwill and intangible assets; and the recoverability of intercompany debtors

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Report of the Auditors.

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 a Report of the Auditors 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.



Richard Rhodes (Senior Statutory Auditor)
for and on behalf of Feltons Chartered Accountants & Statutory Auditor
1, The Green
Richmond
TW9 1PL

Date: 5/6/25

MFT CAPITAL LTD

Consolidated
Profit And Loss Account
for the Year Ended 31 March 2024

| | Notes | 2024 Continuing £ | 2024 Discontinued £ | 2024 Total £ |
|---|-------|-------------------------|---------------------------|--------------------|
| TURNOVER | 4 | 18,475,922 | 2,345,717 | 20,821,639 |
| Cost of sales | | (7,042,389) | (928,017) | (7,970,406) |
| GROSS PROFIT | | 11,433,533 | 1,417,700 | 12,851,233 |
| Administrative expenses | | (17,509,677) | (2,326,780) | (19,836,457) |
| | | (6,076,144) | (909,080) | (6,985,224) |
| Other operating income | 5 | 338,901 | 104,031 | 442,932 |
| OPERATING LOSS | 7 | (5,737,243) | (805,049) | (6,542,292) |
| Profit/loss on sale of investments | 9 | 769,285 | - | 769,285 |
| | | (4,967,958) | (805,049) | (5,773,007) |
| Interest receivable and similar income | 10 | 36,592 | - | 36,592 |
| Gain/loss on revaluation of assets | 17 | (1,136,410) | - | (1,136,410) |
| Interest payable and similar expenses | 11 | (834,243) | (21,821) | (856,064) |
| LOSS BEFORE TAXATION | | (6,902,019) | (826,870) | (7,728,889) |
| Tax on loss | 12 | (128,947) | - | (128,947) |
| LOSS FOR THE FINANCIAL YEAR | | (7,030,966) | (826,870) | (7,857,836) |
| Loss attributable to: Owners of the parent | | | | (7,857,836) |

The notes form part of these financial statements

MFT CAPITAL LTD

Consolidated
Profit And Loss Account
for the Year Ended 31 March 2024

| | Notes | 2023 Continuing £ | 2023 Discontinued £ | 2023 Total £ |
|---|-------|-------------------------|---------------------------|--------------------|
| TURNOVER | 4 | 14,928,849 | 1,107,087 | 16,035,936 |
| Cost of sales | | (5,025,731) | (587,003) | (5,612,734) |
| GROSS PROFIT | | 9,903,118 | 520,084 | 10,423,202 |
| Administrative expenses | | (11,600,077) | (948,935) | (12,549,012) |
| | | (1,696,959) | (428,851) | (2,125,810) |
| Other operating income | 5 | 175,619 | 58,333 | 233,952 |
| OPERATING LOSS | 7 | (1,521,340) | (370,518) | (1,891,858) |
| Profit/loss on sale of investments | 9 | 446,588 | - | 446,588 |
| | | (1,074,752) | (370,518) | (1,445,270) |
| Gain/loss on revaluation of assets | | (2,769,549) | - | (2,769,549) |
| Interest payable and similar expenses | 11 | (182,924) | - | (182,924) |
| LOSS BEFORE TAXATION | | (4,027,225) | (370,518) | (4,397,743) |
| Tax on loss | 12 | - | - | - |
| LOSS FOR THE FINANCIAL YEAR | | (4,027,225) | (370,518) | (4,397,743) |
| Loss attributable to: Owners of the parent | | | | (4,397,743) |

The notes form part of these financial statements

MFT CAPITAL LTD

Consolidated
Other Comprehensive Income
for the Year Ended 31 March 2024

| | Notes | 2024 £ | 2023 £ |
|---|-------|---------------------|---------------------|
| LOSS FOR THE YEAR | | (7,857,836) | (4,397,743) |
| OTHER COMPREHENSIVE INCOME | | | |
| Revaluation of Fixed Asset Investment | 17 | 1,136,410 | 2,769,549 |
| Income tax relating to other comprehensive income | | - | - |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX | | <u>1,136,410</u> | <u>2,769,549</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u>(6,721,426)</u> | <u>(1,628,194)</u> |
| Total comprehensive income attributable to: Owners of the parent | | <u>(6,721,426)</u> | <u>(1,628,194)</u> |

The notes form part of these financial statements

MFT CAPITAL LTD (Registered number: 11618864)

Consolidated Balance Sheet
31 March 2024

| | Notes | 2024 £ | 2023 £ |
|--|-------|---------------------|---------------------|
| FIXED ASSETS | | | |
| Intangible assets | 15 | 2,505,806 | 3,941,625 |
| Tangible assets | 16 | 8,481,682 | 10,112,082 |
| Investments | 17 | 3,469,041 | 4,605,451 |
| | | <u>14,456,529</u> | <u>18,659,158</u> |
| CURRENT ASSETS | | | |
| Stocks | 18 | 229,111 | 133,201 |
| Debtors | 19 | 2,936,740 | 3,862,614 |
| Cash at bank and in hand | | 681,345 | 156,694 |
| | | <u>3,847,196</u> | <u>4,152,509</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 20 | (12,973,386) | (9,785,756) |
| NET CURRENT LIABILITIES | | <u>(9,126,190)</u> | <u>(5,633,247)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 5,330,339 | 13,025,911 |
| CREDITORS | | | |
| Amounts falling due after more than one year | 21 | (6,813,873) | (6,385,779) |
| PROVISIONS FOR LIABILITIES | 25 | (489,149) | (524,980) |
| NET (LIABILITIES)/ASSETS | | <u>(1,972,683)</u> | <u>6,115,152</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 26 | 101 | 101 |
| Share premium | 27 | 12,451 | 12,451 |
| Retained earnings | 27 | (1,985,235) | 6,102,600 |
| | | <u>(1,972,683)</u> | <u>6,115,152</u> |

The financial statements were approved by the Board of Directors and authorised for issue on 5 June 2025 and were signed on its behalf by:



R J Beese - Director

The notes form part of these financial statements

MFT CAPITAL LTD (Registered number: 11618864)

Company Balance Sheet
31 March 2024

| | Notes | 2024 £ | 2023 £ |
|--|-------|------------------|-------------------|
| FIXED ASSETS | | | |
| Intangible assets | 15 | - | - |
| Tangible assets | 16 | - | - |
| Investments | 17 | 3,532,463 | 4,668,873 |
| | | <u>3,532,463</u> | <u>4,668,873</u> |
| CURRENT ASSETS | | | |
| Debtors | 19 | 5,234,579 | 2,244,541 |
| CREDITORS | | | |
| Amounts falling due within one year | 20 | (3,506,764) | (2,596,929) |
| NET CURRENT ASSETS/(LIABILITIES) | | <u>1,727,815</u> | <u>(352,388)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 5,260,278 | 4,316,485 |
| CREDITORS | | | |
| Amounts falling due after more than one year | 21 | - | (437,117) |
| NET ASSETS | | <u>5,260,278</u> | <u>3,879,368</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 26 | 101 | 101 |
| Share premium | 27 | 12,451 | 12,451 |
| Retained earnings | 27 | 5,247,726 | 3,866,816 |
| | | <u>5,260,278</u> | <u>3,879,368</u> |

The financial statements were approved by the Board of Directors and authorised for issue on 5 June 2025 and were signed on its behalf by



.....
R J Beese - Director

The notes form part of these financial statements

MFT CAPITAL LTD

Consolidated Statement of Changes in Equity
for the Year Ended 31 March 2024

| | Called up share capital £ | Retained earnings £ | Share premium £ | Total equity £ |
|---------------------------------|------------------------------------|---------------------------|-----------------------|----------------------|
| Balance at 1 April 2022 | 101 | 13,585,343 | 12,451 | 13,597,895 |
| Changes in equity | | | | |
| Dividends | - | (3,085,000) | - | (3,085,000) |
| Total comprehensive income | - | (4,397,743) | - | (4,397,743) |
| Balance at 31 March 2023 | 101 | 6,102,600 | 12,451 | 6,115,152 |
| Changes in equity | | | | |
| Interim Dividend | - | (230,000) | - | (230,000) |
| Total comprehensive income | - | (7,857,836) | - | (7,857,836) |
| Balance at 31 March 2024 | 101 | (1,985,236) | 12,451 | (1,972,683) |

The notes form part of these financial statements

MFT CAPITAL LTD

Company Statement of Changes in Equity
for the Year Ended 31 March 2024

| | Called up share capital £ | Retained earnings £ | Share premium £ | Total equity £ |
|---------------------------------|------------------------------------|---------------------------|-----------------------|----------------------|
| Balance at 1 April 2022 | 101 | 12,796,298 | 12,451 | 12,808,850 |
| Changes in equity | | | | |
| Dividends | - | (3,085,000) | - | (3,085,000) |
| Total comprehensive income | - | (5,844,482) | - | (5,844,482) |
| Balance at 31 March 2023 | 101 | 3,866,816 | 12,451 | 3,879,368 |
| Changes in equity | | | | |
| Interim Dividend | - | (230,000) | - | (230,000) |
| Total comprehensive income | - | 1,610,910 | - | 1,610,910 |
| Balance at 31 March 2024 | 101 | 5,247,726 | 12,451 | 5,260,278 |

The notes form part of these financial statements

MFI CAPITAL LTD

**Consolidated Cash Flow Statement
for the Year Ended 31 March 2024**

| | | 2024 | 2023 |
|---|--------------|-----------------------|-----------------------|
| | Notes | £ | £ |
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | (2,707,341) | 6,260,394 |
| Impairments of fixed assets | | 4,287,821 | (2,009) |
| Loss on disposal of intangibles | | 1,263,126 | 43 |
| Profit on disposal of subs undertakings | | (769,285) | (428,631) |
| Tax paid | | (1) | (2,574) |
| Loss on disposal of tangible assets | | - | 81,636 |
| Net cash from operating activities | | <u>2,074,320</u> | <u>5,908,859</u> |
| Cash flows from investing activities | | | |
| Purchase of intangible fixed assets | | (15,000) | (38,102) |
| Purchase of tangible fixed assets | | (4,183,563) | (1,745,210) |
| Sale of tangible fixed assets | | 7,272 | 400,000 |
| Sale of fixed asset investments | | - | 38,177 |
| Acquisition of subsidiary undertakings | | - | (325,974) |
| Disposal of subsidiary undertakings | | - | (147,369) |
| HP interest paid | | (79,739) | (4,192) |
| Net cash from investing activities | | <u>(4,271,030)</u> | <u>(1,822,670)</u> |
| Cash flows from financing activities | | | |
| New loans in year | | 7,804,130 | 500,000 |
| Loan repayments in year | | (3,996,705) | (1,705,576) |
| New finance leases | | 284,721 | 52,634 |
| Interest paid | | (776,325) | (178,732) |
| Repayment of finance leases | | (364,460) | (56,801) |
| Equity dividends paid | | (230,000) | (3,085,000) |
| Net cash from financing activities | | <u>2,721,361</u> | <u>(4,473,475)</u> |
| Increase/(decrease) in cash and cash equivalents | | <u>524,651</u> | <u>(387,286)</u> |
| Cash and cash equivalents at beginning of year | 2 | <u>156,694</u> | <u>543,980</u> |
| Cash and cash equivalents at end of year | 2 | <u><u>681,345</u></u> | <u><u>156,694</u></u> |

The notes form part of these financial statements

MFT CAPITAL LTD

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 March 2024

1. **RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

| | 2024 | 2023 |
|---------------------------------------|---------------------|------------------|
| | £ | £ |
| Loss before taxation | (7,728,889) | (4,397,743) |
| Depreciation charges | 1,706,563 | 1,374,797 |
| Loss on revaluation of fixed assets | 1,136,410 | 2,769,549 |
| Increase/(Decrease) in provisions | (37,240) | - |
| Finance costs | 856,064 | 182,924 |
| Finance income | (36,592) | - |
| | <hr/> | <hr/> |
| | (4,103,684) | (70,473) |
| (Increase)/decrease in stocks | (95,910) | 32,757 |
| Decrease in trade and other debtors | 925,874 | 1,979,222 |
| Increase in trade and other creditors | 566,379 | 4,318,888 |
| | <hr/> | <hr/> |
| Cash generated from operations | (2,707,341) | 6,260,394 |
| | <hr/> | <hr/> |

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts.

Year ended 31 March 2024

| | | |
|---------------------------|---------|---------|
| | 31.3.24 | 1.4.23 |
| | £ | £ |
| Cash and cash equivalents | 681,345 | 156,694 |
| | <hr/> | <hr/> |

Year ended 31 March 2023

| | | |
|---------------------------|---------|---------|
| | 31.3.23 | 1.4.22 |
| | £ | £ |
| Cash and cash equivalents | 156,694 | 543,980 |
| | <hr/> | <hr/> |

The notes form part of these financial statements

MFT CAPITAL LTD

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 March 2024

3. **ANALYSIS OF CHANGES IN NET DEBT**

| | At 1.4.23 | Cash flow | At 31.3.24 |
|---------------------------------|--------------------|--------------------|--------------------|
| | £ | £ | £ |
| Net cash | | | |
| Cash at bank and in hand | 156,694 | 524,651 | 681,345 |
| | <u>156,694</u> | <u>524,651</u> | <u>681,345</u> |
| Debt | | | |
| Finance leases | (12,410) | (364,460) | (376,870) |
| Debts falling due within 1 year | (1,679,750) | (2,477,898) | (4,157,648) |
| Debts falling due after 1 year | (3,753,243) | (577,417) | (4,330,660) |
| | <u>(5,445,403)</u> | <u>(3,419,775)</u> | <u>(8,865,178)</u> |
| Total | <u>(5,288,709)</u> | <u>(2,895,124)</u> | <u>(8,183,833)</u> |

The notes form part of these financial statements

MFT CAPITAL LTD

Notes to the Consolidated Financial Statements for the Year Ended 31 March 2024

1 STATUTORY INFORMATION

MFT Capital Ltd is a private company, limited by shares, incorporated in England and Wales with the registration number 11618864. The address of the registered office is 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD.

The financial statements are rounded to the nearest £.

2 ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and Loss Account in these financial statements.

The following principal accounting policies have been applied:

BASIS OF CONSOLIDATION

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Profit and Loss Account from the date on which control is obtained. They are deconsolidated from the date control ceases.

GOING CONCERN

The directors have, at the time of approving the financial statements, a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus, they adopt a going concern basis of accounting in preparing the financial statements. The directors have considered a period of 12 months from the date of signing of financial statements.

The financial statements have been prepared on a going concern basis. At the balance sheet date, the Company had net current liabilities of £9,126,190 and a negative reserves position of £1,972,683. These conditions indicate the existence of a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

However, the directors have reviewed the Company's financial position, cash flow forecasts, and future funding requirements. The directors have confirmed that they are willing to provide financial support for a period of at least 12 months from the date of approval of these financial statements, to enable the Company to meet its liabilities as they fall due. In Financial Year 2024-2025, We Do Play Group secured exclusive UK franchise rights for Activate, a Canadian active gaming company with 37 global locations. The first UK site opened in London in December 2024. We Do Play Group plans to launch 30 Activate sites across the UK within the next three years. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

MFT CAPITAL LTD

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2024

2. **ACCOUNTING POLICIES - continued**

REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

SALE OF GOODS

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably

RENDERING OF SERVICES

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably

All bookings and sales are run through the web based till and booking management ROLLER system.

Revenue from customers is the total amount receivable by the Group for goods and services supplied, excluding VAT and discounts, and excludes amounts collected on behalf of third parties. The Group's performance obligations in respect of individual revenue streams are outlined below.

Revenue arising from Flip Out attendance or mini golf is recognised when the customer actually plays, with deposits paid in advance being held on the balance sheet until that time and then recognised as income.

Revenue for food and drink is recognised when the product has been transferred to the buyer at the point of sale, which is generally when payment is received.

Revenue for amusements is recognised when the customer plays the amusement machine. Revenue from customers is disaggregated by major product and service lines, being activities, food and drink, amusements, mini golf, installation of other machines and other.

For the franchisor business new franchise fees are recognised when the new franchisee commences operation of the business and ongoing royalty fees are recognised at the tax point on a weekly basis. Regarding lease incentives - capital contributions received from landlords are released to the Profit and Loss over the term of the lease in accordance with FRS 102. Any recharges of costs outside of the group are recognised to match with their cost of sales as invoiced. Given the nature of the Group's revenue streams, recognition of revenue is not considered to be a significant area of judgement.

GOODWILL

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Profit and Loss Account over its useful economic life of 10 years which the directors consider to be a reasonable estimate of the period over which it will provide economic benefits to the Group

MFT CAPITAL LTD

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2024

2. ACCOUNTING POLICIES - continued

OTHER 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.

The estimated useful lives range as follows:

| | |
|------------|----------|
| Goodwill | 10 years |
| Trademarks | 10 years |

The board have estimated the useful economic lives to the best of their ability, with guidance from FRS 102 paragraph 18.20, and have concluded the goodwill and trademarks will generate economic benefits for the Group over a period of 10 years

TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical 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 charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

| | |
|----------------------------------|---|
| Long-term leasehold property | over the term of the lease |
| Plant and machinery | 15% - 25% reducing balance |
| Motor vehicles | 15% - 25% reducing balance |
| Fixtures and fittings | 15% - 25% reducing balance |
| Computer equipment | 15% - 25% reducing balance, 25% straight-line |
| Assets in course of construction | not depreciated |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

DILAPIDATIONS

The Group has recognised a provision for dilapidations due to the requirement to return its operating sites back to their original condition at the end of the rental lease.

A provision for dilapidation costs is recognized when the company has a present obligation (legal or constructive) as a result of a past event (entering into the lease and subsequent use of the property). It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Dilapidation provision is based on total estimated obligation spread out over number of lease period.

MFT CAPITAL LTD

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2024

2. ACCOUNTING POLICIES - continued

IMPAIRMENT OF FIXED ASSETS AND GOODWILL

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Profit and Loss Account in the same period as the related expenditure.

INVESTMENTS IN SUBSIDIARIES

Investments in subsidiary undertakings are recognised at cost.

STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads. At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

FINANCIAL INSTRUMENTS

The Group has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments. The Group has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Group's Balance Sheet when the Group becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

BASIC FINANCIAL ASSETS

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

MFT CAPITAL LTD

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2024

2. **ACCOUNTING POLICIES - continued**

FINANCIAL LIABILITIES

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 the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans, other loans and loans due to fellow group companies are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

DERECOGNITION OF FINANCIAL INSTRUMENTS

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Group transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Group will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

MFT CAPITAL LTD

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2024

2. **ACCOUNTING POLICIES - continued**

OPERATING LEASES: THE GROUP AS LESSEE

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

PENSIONS

Defined contribution pension plan

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

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

FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transaction and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

MFT CAPITAL LTD

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2024

2. **ACCOUNTING POLICIES - continued**

INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

FINANCE COSTS

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

BORROWING COSTS

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

EXCEPTIONAL ITEMS

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence

DEBTORS

Short-term debtors are measured at transaction price, less any impairment, except for other debtors that are to be settled by way of equity shares, which are instead measured at fair value. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment. Reclassification of Investments amounting to £4,605,451 were showed in other debtors in previous year and now shown separately in Investments in Balance sheet and restated.

CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

CREDITORS

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

PROVISIONS FOR LIABILITIES

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made. Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties. Increases in provisions are generally charged as an expense to profit or loss.

DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

MFT CAPITAL LTD

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2024.

3. **JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION**

Preparation of the financial statements requires management to make significant judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. No judgments (apart from those involving estimates) have been made when preparing the financial statements.

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year include:

Useful economic life of property, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to change in the estimated useful economic lives and residual values of the assets. The economic lives and residual values are reassessed annually and, where necessary, amended to reflect current conditions. The total depreciation charge on the Group's property, plant and equipment amounted to £ 1.59 m during the year.

Impairment of debtors

The Group and Company makes an estimate of the recoverable value of trade, intragroup and other debtors. When assessing the impairment of trade and other debtors the directors consider factors including age, independent credit rating and historical experience.

Impairment of property, plant and equipment

The value of property, plant and equipment of £8,481,682 (2023: £10,112,082) is sensitive to changes from both internal and external factors. The Group assesses the recoverability and future economic value of its property, plant and equipment annually and contracts a surveyor where they believe the carrying value to be materially dissimilar from its fair value. When assessing the recoverability and future economic value of property, plant and equipment, the directors consider factors including age, location and desirability.

Provision for dilapidations

The Group has contracted a surveyor to assess the Group's main Flip Out site for dilapidations. The surveyor established an estimated cost value that would be required in order to bring the site back to the condition before any installation of plant and equipment. The dilapidation cost per square foot for the assessed site has been applied to the square footage of the respective Company's sites in order to establish the Group's dilapidation provision of £418,332 (as per restated 2023: £450,531).

MFT CAPITAL LTD

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2024

4. **TURNOVER**

An analysis of turnover by class of business is as follows:

| | 2024 | As Restated 2023 |
|---|-------------------|-----------------------------|
| | £ | £ |
| Sale of food, beverages and merchandise | 4,438,198 | 2,574,207 |
| Sale of entry tickets, events and games | 12,987,102 | 11,413,700 |
| Recharges | 153,218 | 32,595 |
| Franchise fees and royalties | 1,804,889 | 1,155,740 |
| Rent receivable | 1,052,235 | 641,345 |
| Other income | 385,996 | 218,349 |
| | <u>20,821,638</u> | <u>16,035,936</u> |

Analysis of turnover by country of destination:

| | 2024 | 2023 |
|-------------------|-------------------|-------------------|
| | £ | £ |
| United Kingdom | 20,769,367 | 15,988,976 |
| Rest of the world | 52,271 | 46,960 |
| | <u>20,821,638</u> | <u>16,035,936</u> |

5. **OTHER OPERATING INCOME**

| | 2024 | 2023 |
|------------------------|----------------|----------------|
| | £ | £ |
| Other operating income | 405,595 | 228,816 |
| Net rents receivable | - | 1,250 |
| Royalty receivable | 37,338 | 3,136 |
| Commissions receivable | - | 750 |
| | <u>442,933</u> | <u>233,952</u> |

MFT CAPITAL LTD

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2024

6. EMPLOYEES AND DIRECTORS

Staff costs, including directors' remuneration, were as follows:

| | Group 2024 | Group 2023 | Company 2024 | Company 2023 |
|-------------------------------------|------------------|------------------|-----------------|-----------------|
| | £ | £ | £ | £ |
| Wages and salaries | 7,260,522 | 5,358,534 | - | - |
| Social security costs | 1,142,020 | 299,307 | - | - |
| Cost of defined contribution scheme | 93,376 | 57,120 | - | - |
| | <u>8,495,918</u> | <u>5,714,961</u> | <u>-</u> | <u>-</u> |

The average monthly number of employees, including the directors, during the year was as follows.

| | 2024 No. | 2023 No. |
|-------------|-------------|-------------|
| Management | 10 | 10 |
| Admin | 41 | 35 |
| Operational | 874 | 640 |
| | <u>925</u> | <u>685</u> |

The aggregate compensation of key management personnel during the year amounted to £63,179 (2023 - £148,926).

7. OPERATING LOSS

| | 2024 £ | 2023 £ |
|--|-----------|-----------|
| Exchange differences | - | (511) |
| Other operating lease rentals | 1,920,610 | 2,312,357 |
| Depreciation of tangible fixed assets | 1,599,282 | 860,445 |
| Loss on sale of tangible fixed assets | (7,272) | 81,636 |
| Amortisation of intangible assets | 323,985 | 514,352 |
| Loss (Profit) on sale of intangible assets | - | 45 |
| Impairment of goodwill | - | 30 |
| Defined contribution pension cost | 93,376 | 57,120 |

8. AUDITORS' REMUNERATION

During the year, the Group obtained the following services from the Company's auditors and their associates:

| | 2024 £ | 2023 £ |
|------------|---------------|----------------|
| Audit Fees | <u>85,000</u> | <u>130,000</u> |

MFT CAPITAL LTD

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2024

9. PROFIT/LOSS ON SALE OF INVESTMENTS

| | 2024 | 2023 |
|------------------------------------|-------------|-------------|
| | £ | £ |
| Profit/loss on sale of investments | 769,285 | 446,588 |

Profit/(Loss) on sale of investment pertains to the subsidiaries disposed off during the financial year. Refer note 17 for the list of entities that were disposed during the year.

10. INTEREST RECEIVABLE AND SIMILAR INCOME

| | 2024 | 2023 |
|---------------------------|---------------|-------------|
| | £ | £ |
| Other interest receivable | 36,592 | - |
| | <u>36,592</u> | <u>-</u> |

11. INTEREST PAYABLE AND SIMILAR EXPENSES

| | 2024 | 2023 |
|--|----------------|----------------|
| | £ | £ |
| Bank interest payable | 16,980 | 85,569 |
| Other loan interest payable | 735,129 | 84,088 |
| Finance leases and hire purchase contracts | 79,739 | 4,192 |
| Other interest payable | 24,216 | 9,075 |
| | <u>856,064</u> | <u>182,924</u> |

12. TAXATION

Analysis of the tax charge

The tax charge on the loss for the year was as follows:

| | 2024 | 2023 |
|--------------|----------------|-------------|
| | £ | £ |
| Current tax: | | |
| Deferred Tax | 128,947 | - |
| Tax on loss | <u>128,947</u> | <u>-</u> |

MFT CAPITAL LTD

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2024

12 TAXATION - continued

RECONCILIATION OF TOTAL TAX CHARGE 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:

| | 2024 | 2023 |
|---|--------------|--------------|
| | £ | £ |
| Loss before tax | (7,728,889) | (4,397,743) |
| Loss multiplied by the standard rate of corporation tax in the UK of 25% (2023 - 19%) | (1,932,222) | (835,571) |
| Effects of: | | |
| Expenses not deductible for tax purposes | 590,107 | 169,815 |
| Income not taxable for tax purposes | 33,675 | (47,202) |
| Capital allowances in excess of depreciation | - | (8,913) |
| Non-tax deductible amortisation of goodwill and impairment | 1,034,560 | 30,130 |
| Depreciation on non-allowable assets trf box BX in FX | 28,584 | - |
| Increase decrease in pension fund provision | 19,181 | (40) |
| Intercompany Loans Written off | (259,285) | - |
| Movement in unrecognised tax losses | - | 307,506 |
| Non-taxable profit from discontinued operations | 88,365 | (75,274) |
| Fair value movement | (263,904) | 526,214 |
| (Profit)/loss on disposal of investments | 660,939 | (66,665) |
| Deferred Tax | 128,947 | - |
| Total tax charge | 128,947 | - |

Tax effects relating to effects of other comprehensive income

| | 2024 | |
|---------------------------------------|--------------|------------|
| | Gross | Net |
| | £ | £ |
| Revaluation of Fixed Asset Investment | 1,136,410 | 1,136,410 |
| | - | - |
| | 1,136,410 | 1,136,410 |
| | - | - |
| | 1,136,410 | 1,136,410 |
| | - | - |
| | 1,136,410 | 1,136,410 |

MFT CAPITAL LTD

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2024

12. **TAXATION - continued**

Factors that may affect future tax charges

Changes to the UK corporation tax rates were made as part of the 2021 Budget. These were substantially enacted on 24 May 2021. This included an increase in the main rate from 19% to 25% from 1 April 2023. The Group is taxed at a rate of 25% unless its profits are sufficiently low enough to qualify for a lower rate of tax, the lowest being 19%.

Deferred tax

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the directors believe it is probable that these assets will be recovered.

The Group has tax losses of approximately £3.15m as at 31 March 2024 which, subject to agreement with taxation authorities, are available to carry forward against future profits.

13. **INDIVIDUAL PROFIT AND LOSS ACCOUNT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

14. **DIVIDENDS**

| | 2024 | 2023 |
|-----------------------|----------------|------------------|
| | £ | £ |
| Interim Dividend paid | 230,000 | 3,085,000 |
| | <u>230,000</u> | <u>3,085,000</u> |

MFT CAPITAL LTD

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2024

15. **INTANGIBLE FIXED ASSETS**

| | Trademarks | Goodwill | Total |
|-------------------------------------|-------------------|-----------------|--------------|
| | £ | £ | £ |
| Cost | | | |
| At 1 April 2023 | 2,396,995 | 2,239,000 | 4,635,995 |
| Additions | 15,000 | - | 15,000 |
| Disposals | - | (1,263,126) | (1,263,126) |
| At 31 March 2024 | 2,411,995 | 975,874 | 3,387,869 |
| Amortisation | | | |
| At 1 April 2023 | 512,734 | 181,636 | 694,370 |
| Charge for the year on owned assets | 240,826 | 83,160 | 323,985 |
| On disposals | - | (215,724) | (215,724) |
| Impairment charge | - | 79,432 | 79,432 |
| At 31 March 2024 | 753,560 | 128,503 | 882,063 |
| Net book value | | | |
| At 31 March 2024 | 1,658,435 | 847,371 | 2,505,806 |
| At 31 March 2023 | 1,884,261 | 2,057,364 | 3,941,625 |

The amortisation charge of £323,985 (2023: £514,352) is included within administrative expenses.

The individual intangible assets which are material to the financial statements are held in F.O Global IP Ltd and F.O IP Ltd.

Regarding F.O Global IP Ltd, the Trademarks consist of numerous Trademarks registered in several countries worldwide that relate to Flip Out and the wider Flip Out brand and include logos, fonts, words and characters. It also includes the intellectual property and Goodwill associated with the Flip Out brand worldwide and the right to issue Master Franchise Agreements to all worldwide territories, excluding the UK, Australia and New Zealand, and to receive income associated with those Master Franchise Agreements.

Regarding F.O IP Ltd, the Trademarks allow the company to use numerous Trademarks within the UK Territory, that are registered in several countries worldwide that relate to Flip Out and the wider Flip Out brand and include logos, fonts, words and characters. It also includes the intellectual property and Goodwill associated with the Flip Out brand in so far as it relates to operations within the UK and the right to issue Master Franchise Agreements to all territories in the UK and to receive income associated with those Master Franchise Agreements.

MFT CAPITAL LTD

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2024

16. **TANGIBLE FIXED ASSETS**

| | Long-term leasehold property £ | Plant and machinery £ | Motor vehicles £ |
|--|---|--------------------------------------|-----------------------------|
| Cost or valuation | | | |
| At 1 April 2023 | 1,647,151 | 3,510,466 | 40,338 |
| Additions | 849,507 | 3,209,737 | - |
| Assets in course of construction - shifted | 1,055,172 | 4,773,545 | - |
| Acquisition of subsidiary | | | |
| Disposals | - | (7,272) | - |
| Disposal of subsidiary | | | |
| Transfers between classes | | | |
| At 31 March 2024 | 3,551,830 | 11,486,476 | 40,338 |
| Depreciation | | | |
| At 1 April 2023 | 377,705 | 616,506 | 29,736 |
| Charge for the year on owned assets | 158,275 | 1,414,601 | 2,381 |
| Impairment loss | 1,128,440 | 3,034,985 | - |
| Charge for the year on financed assets | | | |
| Disposals | - | (980) | - |
| Disposal of subsidiary | | | |
| Transfers between classes | | | |
| At 31 March 2024 | 1,664,420 | 5,065,112 | 32,117 |
| Net Book Value | | | |
| At 31 March 2023 | 1,269,446 | 2,893,960 | 10,602 |
| At 31 March 2024 | 1,887,410 | 6,421,364 | 8,221 |

| | Computer equipment £ | Assets in course of construction £ | Total £ |
|--|-------------------------------------|---|--------------------|
| Cost or valuation | | | |
| At 1 April 2023 | 124,163 | 5,843,537 | 11,165,655 |
| Additions | 124,319 | - | 4,183,563 |
| Assets in course of construction - shifted | 14,820 | (5,843,537) | - |
| Acquisition of subsidiary | | | |
| Disposals | - | - | (7,272) |
| Disposal of subsidiary | | | |
| Transfers between classes | | | |
| At 31 March 2024 | 263,302 | - | 15,341,946 |
| Depreciation | | | |
| At 1 April 2023 | 29,626 | - | 1,053,573 |
| Charge for the year on owned assets | 24,025 | - | 1,599,282 |
| Impairment loss | 44,964 | - | 4,208,389 |

MFT CAPITAL LTD

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2024

| | | | |
|--|---------|-----------|------------|
| Charge for the year on financed assets | | | |
| Disposals | - | - | (980) |
| Disposal of subsidiary | | | |
| Transfers between classes | | | |
| At 31 March 2024 | 98,615 | - | 6,860,264 |
| Net Book Value | | | |
| At 31 March 2023 | 94,537 | 5,843,537 | 10,112,082 |
| At 31 March 2024 | 164,886 | - | 8,481,682 |

Impairment provision of £4,208,389 (2023 : Nil) was recognised on account of carrying value of fixed assets being lower than its recoverable value. Recoverable value for subsidiaries disposed subsequently (the list of which can be found in note 32) was considered to be the sale value consideration received. For other entities recoverable value was considered to be the net present value of all estimated future cashflows generated.

17. FIXED ASSET INVESTMENTS

| | Group | Company |
|---|------------------|------------------|
| As at 1st April 2023 | | |
| Investments in Subsidiaries | - | 63,422 |
| Investments in XP Factory PLC (Listed entity) | 4,605,451 | 4,605,451 |
| | <u>4,605,451</u> | <u>4,668,873</u> |
| Add: Additions | - | - |
| Less : Changes in fair value recognised in profit or loss | (1,136,409) | (1,136,409) |
| Net books value | | |
| At 31 March 2024 | 3,469,042 | 3,532,464 |
| At 31 March 2023 (As restated) | 4,605,451 | 4,668,873 |

Fixed asset investments in previous year were disclosed under Debtors as assets measured at fair value and have been reclassified as investments in current year and previous periods

MFT CAPITAL LTD

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2024

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

| Name | Registered Office | Class of shares | Holding |
|--------------------------|--|------------------------|----------------|
| F.O IP Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |
| F.O Global IP Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |
| F.O Ventures Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |
| F.O Global Franchise Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |
| Putt IP Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |
| PPN Ventures Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |
| WDPC Trading Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

| Name | Registered Office | Class of shares | Holding |
|----------------------|--|------------------------|----------------|
| F.O Franchise Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |
| Flip Out Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |
| F.O Six Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |
| F.O Ten Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |
| F.O Sixteen Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |
| F.O Eighteen Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |
| F.O Twenty Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |
| F.O Twenty One Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |
| F.O Twenty Two Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |
| F.O Twenty Three Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |
| F.O Twenty Four Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |
| F.O Twenty Five Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |
| F.O Twenty Six Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |
| F.O Twenty Seven Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |
| F.O Twenty Eight Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |

MFT CAPITAL LTD

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2024

| | | | |
|--|---|----------|------|
| FO Twenty Nine Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |
| FO Thirty Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |
| AGB Capital Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |
| S L Trampolines Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |
| PPN Franchise Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |
| PPN Admin Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |
| ACTV Four Ltd (Formerly known as - PPN One Ltd) | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |
| PPN Two Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |
| PPN Three Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |
| PPN Four Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |
| PPN Five Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |
| Putt Noodle East Ltd | 3 Sheen Road, Richmond Upon Thames, England, TW9 1AD | Ordinary | 100% |

The following subsidiaries were disposed of from the Group during the year

Profit/(loss) for the year attributable to the Group

| | £ |
|----------------------|-----------|
| FO Seventeen Limited | 353,397 |
| FO Three Limited | (428,513) |
| FO Admin Limited | 1,188,792 |
| FO Fifteen Limited | 247,016 |
| JOA Leisure Limited | (100,640) |

18. STOCKS

| | 2024 | 2023 |
|-------------------------------|----------------|----------------|
| | £ | £ |
| Raw materials and consumables | 229,111 | 133,201 |
| | <u>229,111</u> | <u>133,201</u> |

The difference between purchase price or production cost of stocks and their replacement cost is not material.

MFT CAPITAL LTD

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2024

19 **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

| | Group 2024 | As restated Group 2023 | Company 2024 | As restated Company 2023 |
|------------------------------------|------------------|------------------------------|------------------|--------------------------------|
| Due within one year | | | | |
| Trade debtors | 248,483 | 695,063 | - | - |
| Amounts owed by group undertakings | - | - | 4,476,613 | 1,152,233 |
| Other debtors | 1,740,758 | 2,073,437 | 643,853 | 579,272 |
| Prepayments and accrued income | 947,499 | 1,094,114 | 114,113 | 513,936 |
| | <u>2,936,740</u> | <u>3,862,614</u> | <u>5,234,579</u> | <u>2,244,541</u> |

Previous periods debtors included Fixed asset investments disclosed under assets measured at fair value amounting to £4,605,451. This has been reclassified to investments in current year and previous periods numbers are restated.

20. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

| | Group 2024 £ | Group 2023 £ | Company 2024 £ | Company 2023 £ |
|---|--------------------|--------------------|----------------------|----------------------|
| Bank loans | 60,434 | 136,124 | - | - |
| Other loans | 4,097,212 | 1,543,626 | 1,228,393 | - |
| Trade creditors | 2,114,091 | 2,875,052 | 275,520 | 377,244 |
| Amounts owed to group undertakings | - | - | 2,336,593 | 1,102,440 |
| Corporation tax | 13,935 | 13,936 | - | - |
| Other taxation and social security | 1,142,020 | 1,251,787 | (23,383) | - |
| Obligations under finance lease and hire purchase | 376,870 | - | - | - |
| Contracts | - | 12,410 | - | - |
| Other creditors | 940,509 | 1,968,094 | - | 681,645 |
| Accruals and deferred income | 4,228,314 | 1,984,727 | (210,360) | 435,600 |
| | <u>12,973,385</u> | <u>9,785,756</u> | <u>3,506,763</u> | <u>2,596,929</u> |

Details of security provided

Bank overdrafts are secured by way of fixed and floating charges over the Group's assets. Bank loans are secured by way of fixed and floating charges over the Group's property. Other loans are secured by way of fixed and floating charges over the Group's property. Finance leases are secured on the asset financed. Other creditors are secured over the assets financed.

MFT CAPITAL LTD

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2024

21. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

| | Group 2024 | Group 2023 | Company 2024 | Company 2023 |
|------------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| | £ | £ | £ | £ |
| Bank loans | 86,410 | 301,372 | - | - |
| Other loans | 4,244,252 | 3,451,871 | - | - |
| Other creditors | - | 482,280 | - | 437,117 |
| Accruals and deferred income | 2,483,211 | 2,150,256 | - | - |
| | <u>6,813,873</u> | <u>6,385,779</u> | <u>-</u> | <u>437,117</u> |

The following liabilities were secured

| | Group 2024 | Group 2023 |
|-------------|-----------------------|-----------------------|
| | £ | £ |
| Bank loans | 86,410 | 301,372 |
| Other loans | 4,244,252 | 3,451,871 |
| | <u>4,330,662</u> | <u>3,753,243</u> |

Details of security provided:

Bank loans are secured by way of fixed and floating charges over the Group's property. Other loans are secured by way of fixed and floating charges over the Group's property.

22. **LOANS**

| | Group 2024 | Group 2023 |
|--|-----------------------|-----------------------|
| | £ | £ |
| Amounts falling due within one year | | |
| Bank loans | 60,434 | 136,124 |
| Other loans | 4,097,213 | 1,543,626 |
| | <u>4,157,647</u> | <u>1,679,750</u> |
| Amounts falling due 1-2 years | | |
| Bank loans | 86,410 | 140,833 |
| Other loans | 4,244,252 | 1,217,484 |
| | <u>4,330,662</u> | <u>1,358,317</u> |
| Amounts falling due 2-5 years | | |
| Bank loans | - | 160,539 |
| Other loans | - | 2,234,387 |
| | <u>-</u> | <u>2,394,926</u> |
| | <u>8,448,309</u> | <u>5,432,993</u> |

MFT CAPITAL LTD

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2024

23 LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

| | Finance leases | |
|----------------------------|----------------|--------|
| | 2024 | 2023 |
| | £ | £ |
| Net obligations repayable: | | |
| Within one year | 376,870 | 12,410 |

At 31 March 2024 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | Group 2024 | Group 2023 |
|--|---------------|---------------|
| | £ | £ |
| Not later than 1 year | 2,259,089 | 2,445,749 |
| Later than 1 year and not later than 5 years | 6,426,460 | 10,508,507 |
| Later than 5 years | 6,784,241 | 9,099,903 |
| | 15,469,790 | 22,054,159 |

24 FINANCIAL INSTRUMENTS

| | Group 2024 | As restated Group 2023 | Company 2024 | As restated Company 2023 |
|--|---------------|------------------------------|-----------------|--------------------------------|
| | £ | £ | £ | £ |
| Financial assets | | | | |
| Financial assets held at amortised cost | 2,670,586 | 2,925,194 | 5,120,466 | 1,698,382 |
| Financial assets measured at fair value through profit or loss | 3,469,041 | 4,605,451 | 3,532,463 | 4,605,451 |
| | 6,139,627 | 7,530,645 | 8,652,929 | 6,303,833 |
| Financial liabilities | | | | |
| Financial liabilities held at amortised cost | 7,282,914 | 12,166,153 | 2,301,753 | 3,034,046 |

Financial assets held at amortised cost include trade debtors, other debtors, amounts owed by fellow group entities and cash. Due to the short term nature, the carrying value approximates their fair value.

Financial assets measured at fair value through profit or loss comprise of an equity investment.

Financial liabilities held at amortised cost include trade creditors, other creditors, accruals and amounts owed to fellow group entities. Due to the short term nature, the carrying value approximates their fair value.

MET CAPITAL LTD

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2024

25. PROVISIONS FOR LIABILITIES

Group Provisions

| | |
|-----------------------------------|----------------|
| FO Thirty Ltd | 2,500 |
| FO Ashford (S L Trampolines Ltd) | 72,355 |
| FO Basingstoke (F.O Ten Ltd) | 47,355 |
| FO Brent Cross (FO Eighteen Ltd) | 37,592 |
| FO Chester (FO Sixteen Ltd) | 68,122 |
| FO Glasgow (F.O Twenty Seven Ltd) | 163,741 |
| Putt Noodle East Ltd | 26,667 |
| | <hr/> |
| Dilapidation Provision | 418,332 |
| Deferred tax provision | 70,817 |
| | <hr/> |
| Total on 31.03.2024 | 489,149 |
| | <hr/> |

Provisions for dilapidations relate to the expected future costs for returning the leased premises/sites to their original condition at the end of each lease period. The costs are not expected to be incurred prior to the end of each lease agreement unless the lease is prematurely terminated by either party. All leases end within 15 years from the balance sheet date.

Provisions include dilapidations which are calculated based on estimated outflow of resource required to meet the obligation at the end of the lease period. There was an error in provision calculations and the prior period financial statements have been restated to correct the error.

26. CALLED UP SHARE CAPITAL

| | 2024 £ | 2023 £ |
|---|-----------|-----------|
| Allotted, called up and fully paid | | |
| 101,320 (2023 - 101,320) Ordinary shares of £0.001 each | 101 | 101 |
| | <hr/> | <hr/> |

Share capital consists of 101,320 Ordinary £0.001 shares. Each ordinary share confers up the holder equal rights to dividends, return of capital and voting rights in the Company

27. RESERVES

Share premium account

Share premium account represents amounts paid for equity in excess of its nominal value.

Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

28. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £ 93,376 (2023 - £57,120). Contributions totalling £32,092 (2023 - £13,499) were payable to the fund at the balance sheet date and are included in creditors.

MFT CAPITAL LTD

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2024

29. CAPITAL COMMITMENTS

At 31 March 2024 the Group and Company had capital commitments as follows:

| | Group 2024 | Group 2023 |
|---|---------------|---------------|
| | £ | £ |
| Contracted for but not provided in these financial statements | 906,048 | 970,343 |

30. RELATED PARTY DISCLOSURES

The Group has opted not to disclose transactions between wholly owned subsidiary group members in accordance with FRS 102, paragraph 33.1A.

At 1 April 2023 the directors owed monies to the Group totalling £208,979. During the year the directors withdrew monies totalling £1,611,959 and made repayments of £224,465. No interest was charged leaving a balance of £1,596,473 owed to the Group at the year end and is included in other debtors. The balance was repaid after the year end by way of dividend. At 1 April 2023 non-director shareholders owed monies to the Group totalling £14,749. During the year the non-director shareholders made repayments of £9,338. No interest was charged leaving a balance of £5,411 owed to the Group at the year end and is included in other debtors. The balance was repaid after the year end by way of dividend.

At 1 April 2023 F.O Thirteen Ltd owed monies to the Group totalling £30,174. During the year amounts totalling £95,359 were advanced to F.O Thirteen Ltd and £80,346 was repaid to the Group. No interest was charged on the loan leaving a balance of £45,187 owed to the Group at the year end which is included in other debtors. The loan is unsecured and repayable on demand.

At 1 April 2023 F.O Five Ltd owed monies to the Group totalling £101,931. During the year amounts totalling £223,683 were advanced to F.O Five Ltd and £220,609 was repaid to the Group. No interest was charged on the loan leaving a balance of £105,005 owed to the Group at the year end which is included in other debtors. The loan is unsecured and repayable on demand.

During the year, amounts totalling £700,000 were advanced from Surecare Residential.

31. CONTROLLING PARTY

As at 31 March 2024, no one party owns greater than 50% of the issued share capital. Therefore, the Company does not have an ultimate controlling party.

MFT CAPITAL LTD

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2024

32. POST BALANCE SHEET EVENTS

The following sites were disposed/transferred post year end and subsequently left the MFT Capital Ltd Group:

- FO Croydon on 21/05/2024
- FO Liverpool on 01/05/2024
- FO Basingstoke on 16/09/2024
- FO Telford on 23/09/2024
- FO Rushden Lakes on 01/12/2024
- FO Chester on 13/12/2024
- FO Ashford on 18/12/2024

Despite the dedicated efforts of the board and management of MFT Capital Ltd Group, four out of the seven sites within the group were adversely impacting overall profitability. These sites struggled to generate adequate cash flow to sustain their operations and cover financing costs, posing a challenge to the Group's financial performance.

The revenue and profit after tax for the disposed/transferred sites for the year ended 31 March 2024 are as follows:

| Sites disposed/transferred | Turnover | Profit (loss after tax) |
|-----------------------------------|-----------|--------------------------|
| FO Croydon | - | (39,453) |
| FO Liverpool | 740,434 | (1,581,120) |
| FO Basingstoke | 1,260,403 | 169,919 |
| FO Telford | 1,340,356 | (3,419,765) |
| FO Rushden Lakes | - | (16,758) |
| FO Chester | 2,282,011 | 320,960 |
| FO Ashford | 1,327,073 | 50,025 |

The disposal/transfer of seven sites post year-end resulted in a revenue loss of £6.9m (FY 2023-24) their exit led to a decrease in net assets by £2.4 m as at March 2024

MFT CAPITAL LTD

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2024

33. **GUARANTEES AND OTHER COMMITMENTS**

For the financial year ended 31 March 2024, the below subsidiaries are exempt from the requirements stipulating that they be audited since they fulfil all the conditions for exemption under section 479A of the Companies Act 2006.

| | |
|--------------------------|----------------------|
| F O IP Ltd | F O Twenty Ltd |
| F.O Global IP Ltd | F O Twenty One Ltd |
| F O Ventures Ltd | F.O Twenty Two Ltd |
| Flip Out Ltd | F O Twenty Three Ltd |
| F O Six Ltd | F O Twenty Four Ltd |
| F O Ten Ltd | F O Thirty Ltd |
| F O Sixteen Ltd | F O Franchise Ltd |
| F.O Eighteen Ltd | AGB Capital Ltd |
| F O Twenty Eight Ltd | F.O Seventeen Ltd |
| F O Twenty Nine Ltd | F.O Three Ltd |
| F O Twenty Six Ltd | F.O Admin Ltd |
| S L Trampolines Ltd | F.O Fifteen Ltd |
| Putt IP Ltd | JOA Leisure Ltd |
| PPN Ventures Ltd | F.O Five Ltd |
| F.O Twenty Five Ltd | PPN One Ltd |
| F O Global Franchise Ltd | PPN Four Ltd |
| PPN Franchise Ltd | PPN Five Ltd |
| PPN Admin | Putt Noodle East Ltd |
| PPN Two Ltd | WDPC Trading Ltd |
| PPN Three Ltd | F.O Twenty Seven Ltd |

The outstanding liabilities at the balance sheet date of the above subsidiary undertakings have been guaranteed by MFT Capital Ltd pursuant to s479A to s479C of the Companies Act 2006. The aggregate liabilities of these subsidiaries at 31st March 2024 was £18,182,823.