

**REVOLUTION ENTERTAINMENT SYSTEMS (2) LIMITED**

**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2018**



# **REVOLUTION ENTERTAINMENT SYSTEMS (2) LIMITED**

## **CONTENTS**

	<b>Page</b>
<b>Director's report</b>	<b>1</b>
<b>Director's responsibilities statement</b>	<b>2</b>
<b>Independent auditors' report</b>	<b>3 - 5</b>
<b>Profit and loss account</b>	<b>6</b>
<b>Balance sheet</b>	<b>7</b>
<b>Statement of changes in equity</b>	<b>8 - 9</b>
<b>Notes to the financial statements</b>	<b>10 - 11</b>

**DIRECTOR'S REPORT  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

The director presents his report and the financial statements for the year ended 30 September 2018.

**Principal activity**

The Company is part of the Inspired Entertainment, Inc. Group (the 'Group'). It did not trade during the current or preceding period.

**Director**

The director who served during the year was:

S F B Baker

**Qualifying third party indemnity provisions**

As permitted by the Articles of Association, the director has the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial period and is currently in force. The Group also purchased and maintained throughout the period directors' and officers' liability insurance in respect of itself and its directors.

**Disclosure of information to auditors**

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he 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's auditors are aware of that information.

**Going concern statement**

The directors of the Group have prepared forecasts which demonstrate that the Group has sufficient headroom to continue to trade for a period of at least 12 months from the date of signing. On this basis the director believes that it is appropriate to prepare these financial statements on a going concern basis.

**Auditors**

The auditors, Ecovis Wingrave Yeats LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 17 June 2019 and signed on its behalf.



S F B Baker  
Director

**DIRECTOR'S RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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 to enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF REVOLUTION ENTERTAINMENT  
SYSTEMS (2) LIMITED**

**Opinion**

We have audited the financial statements of Revolution Entertainment Systems (2) Limited (the 'Company') for the year ended 30 September 2018, which comprise the Profit and loss account, the Balance sheet, the Statement of changes in equity and the related notes, 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 Company's affairs as at 30 September 2018 and of its result 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The director is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF REVOLUTION ENTERTAINMENT SYSTEMS (2) LIMITED (CONTINUED)**

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Director's report and from the requirement to prepare a Strategic report.

**Responsibilities of directors**

As explained more fully in the Director's responsibilities statement on page 2, the director is 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 director determines 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 director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF REVOLUTION ENTERTAINMENT  
SYSTEMS (2) LIMITED (CONTINUED)**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

*Ecovis Wingrave Yeats LLP*

Stuart Hinds (Senior statutory auditor)

for and on behalf of

**Ecovis Wingrave Yeats LLP**

Chartered Accountants

Registered Auditors

Waverley House

7-12 Noel Street

London

W1F 8CQ

Date: *25 June 2019*

**REVOLUTION ENTERTAINMENT SYSTEMS (2) LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

The Company has not traded during the year or the preceding financial year. During these periods, the Company received no income and incurred no expenditure and therefore made neither profit or loss.

The notes on pages 10 to 11 form part of these financial statements.



**REVOLUTION ENTERTAINMENT SYSTEMS (2) LIMITED**  
**REGISTERED NUMBER: 03556955**

**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2018**

	Note	2018 £000	2017 £000 (as restated)
<b>Current assets</b>			
Debtors: amounts falling due within one year	4	665	665
		<u>665</u>	<u>665</u>
<b>Total assets less current liabilities</b>		<b>665</b>	<b>665</b>
<b>Net assets</b>		<u><b>665</b></u>	<u><b>665</b></u>
<b>Capital and reserves</b>			
Called up share capital	5	-	100
Profit and loss account		665	565
		<u><b>665</b></u>	<u><b>665</b></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 June 2019.



**S F B Baker**  
Director

The notes on pages 10 to 11 form part of these financial statements.

**REVOLUTION ENTERTAINMENT SYSTEMS (2) LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 October 2017	100	565	665
Transfer to profit and loss account	(100)	100	-
<b>Total transactions with owners</b>	<b>(100)</b>	<b>100</b>	<b>-</b>
<b>At 30 September 2018</b>	<b>-</b>	<b>665</b>	<b>665</b>

The notes on pages 10 to 11 form part of these financial statements.

**REVOLUTION ENTERTAINMENT SYSTEMS (2) LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 25 September 2016	100	565	665
<b>At 30 September 2017</b>	<b>100</b>	<b>565</b>	<b>665</b>

The notes on pages 10 to 11 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

Revolution Entertainment Systems (2) Limited (the "Company") is a private company, limited by shares, incorporated and domiciled in England and Wales, registration number 03556955. The registered office is 3 The Maltings, Wetmore Road, Burton on Trent, Staffordshire, DE14 1SE.

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 management to exercise judgment in applying the Company's accounting policies (see note 2).

The Company's ultimate parent undertaking at the period end, Inspired Entertainment, Inc., and its immediate subsidiary, DMWSL 633 Limited, include the Company in their consolidated financial statements. In these financial statements, the Company is considered to be a qualifying entity and has applied the exemptions under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling due within the fair value accounting rules of Paragraph 36(4) of Schedule 1;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The Company's functional and presentational currency is sterling. Unless otherwise stated, all amounts in the financial statements have been rounded to the nearest £1,000.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

**1.2 Going concern**

The directors of the Group have prepared forecasts which demonstrate that the Group has sufficient headroom to continue to trade for a period of at least 12 months from the date of signing. On this basis the director believes that it is appropriate to prepare these financial statements on a going concern basis.

**2. Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires the Company to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are considered to be reasonable under the circumstances. Actual results may differ from these estimates.

# REVOLUTION ENTERTAINMENT SYSTEMS (2) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

### 3. Employees

The Company has no employees other than the director, who did not receive any remuneration (2017 - £NIL).

Directors' emoluments were paid in respect of the director of the Company by Inspired Gaming (UK) Limited, and are disclosed in the financial statements of that company. The director's services to the Company are of a non-executive nature and his emoluments are deemed to be wholly attributable to his services to Inspired Gaming (UK) Limited.

### 4. Debtors

	2018	2017
	£000	£000 (as restated)
Trade debtors	2	2
Amounts owed by group undertakings	663	663
	<u>665</u>	<u>665</u>

An amount of £16,287,000 included as amounts owed to group undertakings in the prior year has been reclassified to amounts owed by group undertakings. There has been no profit and loss account impact.

### 5. Share capital

	2018	2017
	£	£
<b>Allotted, called up and fully paid</b>		
100,000 ordinary shares of £0.00001 each (2017 - 100,000 ordinary shares of £1.00 each)	<u>1</u>	<u>100,000</u>

During the year the Company passed a Special Resolution to reduce its ordinary share capital from 100,000 ordinary shares of £1 each to 100,000 ordinary shares of £1 in aggregate.

### 6. Controlling party

At the period end, the Company's immediate parent company was Revolution Entertainment Systems Holdings Limited.

The largest and smallest group into which these financial statements are consolidated are headed by Inspired Entertainment, Inc. and Inspired Gaming Group Limited respectively.

Inspired Entertainment, Inc., a company incorporated in the USA, is considered to be the ultimate controlling party.

Group financial statements can be obtained from the Company Secretary at 3 The Maltings, Wetmore Road, Burton on Trent, DE14 1SE.