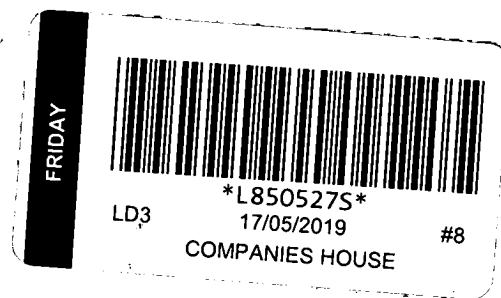


Company Registration No. 03882481 (England and Wales)

**GAMER NETWORK LIMITED**  
**CONSOLIDATED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 APRIL 2018**



# **GAMER NETWORK LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	Mr S Maxwell Mr A D S Bowden Mr D G Johnson Mr R J N Mortimore Ms M R Tiley-Hill
<b>Secretary</b>	Ms J M Poole
<b>Company number</b>	03882481
<b>Registered office</b>	Gateway House 28 The Quadrant Richmond Surrey England TW9 1DN
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB United Kingdom

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# GAMER NETWORK LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 30 APRIL 2018

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The directors present the strategic report for the year ended 30 April 2018.

#### Review of the business

Turnover increased year on year driven by an 16% increase in the digital business due, in part, to a 44% increase in advertising revenues and increased sales in mainland Europe. The events business continued to grow principally via increased exhibitor revenues at both the London Rezzed and Birmingham EGX revenues this resulted in a 7% increase in turnover.

The business has continued to invest in staff and technology to support the growth anticipated in the coming years.

The profit for the year after taxation was £700,986 (2017: £1,452,223). This followed the recognition of one-off impairment losses of £485,081, share based payment costs of £353,152, and transaction bonuses totalling £795,636. Allowing for these items, the underlying result for the year was £2,334,855 - a significant improvement on 2017.

The group had a strong cash position of £879,872 (2017: £3,069,215) at the year end. The drop in cash is attributable to the £1m payment made to acquire the VG247 brand, the payment of £460k of deferred and contingent consideration in respect of the prior year acquisition of Rock, Paper, Shotgun Limited, and the refurbishment of the group's head office in Brighton.

On 26 February 2018, the company and group was acquired by Reed Exhibitions Ltd which is ultimately controlled by RELX Group Plc.

#### Matters of strategic importance

Management continue to see growth in the digital business via agreements with partner web and video sites both nationally and internationally whilst retaining market share in the current events business as strategically important to the group.

#### Business environment and future developments

The directors expect the group's revenue growth to remain strong whilst operating in a growth sector. The group will continue to focus on team talent as a driver to success, with alliances and strategic partnering seen as a key to future growth.

To support this the group and its owners will continue to invest in staff and technology across the business to maintain margins.

#### Key performance indicators

The board and management monitor the progress of a number of KPI's as follows:

	2018	2017
Turnover	£11.3m	£10.0m
Turnover growth	13.1%	16.1%
Gross profit margin	52.0%	51.0%

# GAMER NETWORK LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

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### Principal risks and uncertainties

The group's principal risks and uncertainties are comprised of competition risk, price risk, credit risk, liquidity risk and foreign currency risk. Policies relating to these risks are set out below.

#### *Competition risk*

Competitive pressure is a continuing risk for the group, which could result in it losing sales to its key competitors. The group manages this risk by providing a focus on customer service which builds long term strong relationships and continual attracting and retention of talent.

#### *Price risk*

The group has very limited exposure to fluctuations in its cost structure being influenced primarily by the labour market and the acquiring and retention of key staff.

#### *Credit risk*

The group's principal financial assets are bank balances and cash, and trade and other debtors. The group's credit risk is primarily attributable to its trade debtors. The amounts presented in the statement of financial position are net of allowances for bad and doubtful debts. Allowances for bad debts are made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The group has no significant concentration of credit risk, with exposure spread over a high number of counterparties and customers.

#### *Liquidity risk*

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group makes use of financial support from its owners.

#### *Foreign exchange risk*

Due to the volume of the group's overseas business operations it is primarily exposed to the financial risks of changes in foreign currency exchange rates.

By order of the board



Ms J M Poole  
Secretary

Date: 13<sup>th</sup> May 2019

# GAMER NETWORK LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 APRIL 2018

---

The directors present their annual report and financial statements for the year ended 30 April 2018.

#### Principal activities

The principal activity of the group and company was that of internet publishing and events organisation and management within the games industry.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Dr N J Loman	(Resigned 26 February 2018)
Mr P M Loman	(Resigned 26 February 2018)
Mr R A Loman	(Resigned 26 February 2018)
Ms B Myers	(Resigned 26 February 2018)
Mr S Maxwell	
Mr A D S Bowden	(Appointed 26 February 2018)
Mr D G Johnson	(Appointed 26 February 2018)
Mr R J N Mortimore	(Appointed 26 February 2018)
Ms M R Tiley-Hill	(Appointed 26 February 2018)

#### Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £107,400 (2017: £160,600). The directors do not recommend payment of a further dividend.

#### Auditor

RSM UK Audit LLP has indicated its willingness to be reappointed for another term in accordance with section 485 of the Companies Act 2006 appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

#### Matters of strategic importance

As permitted by s414C(11) of the Companies Act 2006, the directors have included matters required by s416(4) of the Act within the Strategic Report as they are considered to be of strategic importance to the company and group. These matters include financial risk management objectives and policies, and future developments.

By order of the board



Ms J M Poole  
Secretary

Date: 13<sup>th</sup> May 2019

# **GAMER NETWORK LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 APRIL 2018**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GAMER NETWORK LIMITED**

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## **Opinion**

We have audited the financial statements of Gamer Network Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2018 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows 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 FRS 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 the parent company's affairs as at 30 April 2018 and of the group's profit 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 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.

## **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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent 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 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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

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

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GAMER NETWORK LIMITED (CONTINUED)

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### 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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept by the 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 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

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

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

### Use of our report

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

*Rsm UK Audit LLP*

Richard Heap FCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB  
United Kingdom

.....16 May 2019



# GAMER NETWORK LIMITED

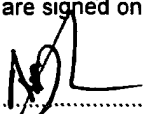
## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2018

	Notes	2018 £	2017 £
<b>Turnover</b>	<b>3</b>	11,335,056	10,024,147
Cost of sales		(5,437,126)	(4,910,419)
<b>Gross profit</b>		<b>5,897,930</b>	<b>5,113,728</b>
Distribution costs		(1,335,221)	(1,563,307)
Administrative expenses		(2,576,659)	(1,799,436)
Other operating income		-	54,000
Exceptional costs	<b>4</b>	(1,633,869)	-
<b>Operating profit</b>	<b>7</b>	<b>352,181</b>	<b>1,804,985</b>
Share of results of associates and joint ventures		41,324	21,244
Interest receivable and similar income	<b>9</b>	19	53
Interest payable and similar expenses	<b>10</b>	(906)	(5,441)
<b>Profit before taxation</b>		<b>392,618</b>	<b>1,820,841</b>
Taxation	<b>11</b>	308,368	(368,618)
<b>Profit after taxation and profit for the financial year</b>	<b>27</b>	<b>700,986</b>	<b>1,452,223</b>
<b>Other comprehensive income net of taxation</b>			
Currency translation differences		(33,304)	(51,108)
<b>Total comprehensive income for the year</b>		<b>667,682</b>	<b>1,401,115</b>
Profit for the financial year is attributable to:			
- Owners of the parent company		680,554	1,419,018
- Non-controlling interests		20,432	33,205
		<b>700,986</b>	<b>1,452,223</b>
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		647,250	1,367,910
- Non-controlling interests		20,432	33,205
		<b>667,682</b>	<b>1,401,115</b>

**GAMER NETWORK LIMITED****CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 30 APRIL 2018**

		2018		2017	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Goodwill	14		-		309,699
Other intangible assets	14		1,401,041		734,375
Total intangible assets			1,401,041		1,044,074
Tangible assets	15		561,984		164,468
Investments	16		97,847		56,523
			2,060,872		1,265,065
<b>Current assets</b>					
Debtors	21	4,633,713		1,965,758	
Cash at bank and in hand		879,872		3,069,215	
			5,513,585		5,034,973
<b>Creditors: amounts falling due within one year</b>	22	(2,289,093)		(2,400,566)	
<b>Net current assets</b>			3,224,492		2,634,407
<b>Total assets less current liabilities</b>			5,285,364		3,899,472
<b>Provisions for liabilities</b>	24		(248,211)		(146,143)
<b>Net assets</b>			5,037,153		3,753,329
<b>Capital and reserves</b>					
Called up share capital	26		100		88
Share premium account	27		370,378		-
Share-based payment reserve	27		-		1,280
Capital redemption reserve	27		10		10
Translation reserve	27		(119,724)		(86,420)
Profit and loss reserves	27		4,777,148		3,844,162
<b>Equity attributable to owners of the parent company</b>			5,027,912		3,759,120
<b>Non-controlling interests</b>			9,241		(5,791)
			5,037,153		3,753,329

The financial statements were approved by the board of directors and authorised for issue on 13<sup>th</sup> May 2019 and are signed on its behalf by:


  
 .....  
 Mr A D S Bowden  
 Director

**GAMER NETWORK LIMITED****COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 30 APRIL 2018**

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Tangible assets	15	535,407		131,870	
Investments	16	95,750		1,045,251	
		<u>631,157</u>		<u>1,177,121</u>	
<b>Current assets</b>					
Debtors	21	3,659,093		2,967,936	
Cash at bank and in hand		488,153		1,345,443	
		<u>4,147,246</u>		<u>4,313,379</u>	
<b>Creditors: amounts falling due within one year</b>	22	<u>(1,692,999)</u>		<u>(1,571,819)</u>	
<b>Net current assets</b>		<u>2,454,247</u>		<u>2,741,560</u>	
<b>Total assets less current liabilities</b>		<u>3,085,404</u>		<u>3,918,681</u>	
<b>Provisions for liabilities</b>	24	<u>(6,788)</u>		<u>(17,485)</u>	
<b>Net assets</b>		<u><u>3,078,616</u></u>		<u><u>3,901,196</u></u>	
<b>Capital and reserves</b>					
Called up share capital	26	100		88	
Share premium account	27	370,378		-	
Share-based payment reserve	27	-		1,280	
Capital redemption reserve	27	10		10	
Profit and loss reserves	27	2,708,128		3,899,818	
<b>Total equity</b>		<u><u>3,078,616</u></u>		<u><u>3,901,196</u></u>	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's loss and total comprehensive income for the year was £1,449,722 (2017: £1,310,261 profit).

The financial statements were approved by the board of directors and authorised for issue on 13<sup>th</sup> May 2019 and are signed on its behalf by:

  
 .....  
 Mr A D S Bowden  
 Director

# GAMER NETWORK LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2018

	Share capital	Share premium account	Share-based payment reserve	Capital redemption reserve	Translation reserve	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
Notes	£	£	£	£	£	£	£	£	£
<b>Balance at 1 May 2016</b>	88	-	-	10	(35,312)	2,575,626	2,540,412	1	2,540,413
<b>Year ended 30 April 2017:</b>									
Profit for the year	-	-	-	-	-	1,419,018	1,419,018	33,205	1,452,223
Other comprehensive income net of taxation:									-
Currency translation differences	-	-	-	-	-	(51,108)	(51,108)	-	(51,108)
Total comprehensive income for the year	-	-	-	-	-	1,367,910	1,367,910	33,205	1,401,115
Dividends	12	-	-	-	-	(121,600)	(121,600)	(39,000)	(160,600)
Credit to equity for equity settled share-based payments	29	-	-	1,280	-	-	1,280	-	1,280
Transfer currency translation differences	-	-	-	-	(51,108)	51,108	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	-	3	3
Transfer to profit and loss on step acquisition of subsidiary	-	-	-	-	-	(28,882)	(28,882)	-	(28,882)
<b>Balance at 30 April 2017</b>	88	-	1,280	10	(86,420)	3,844,162	3,759,120	(5,791)	3,753,329

# GAMER NETWORK LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

	Share capital	Share premium account	Share-based payment reserve	Capital redemption reserve	Translation reserve	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
Notes	£	£	£	£	£	£	£	£	£
<b>Year ended 30 April 2018:</b>									
Profit for the year	-	-	-	-	-	680,554	680,554	20,432	700,986
Other comprehensive income net of taxation:									
Currency translation differences on overseas subsidiaries	-	-	-	-	-	(33,304)	(33,304)	-	(33,304)
Total comprehensive income for the year	-	-	-	-	-	647,250	647,250	20,432	667,682
Issue of share capital <b>26</b>	12	370,378	-	-	-	-	370,390	-	370,390
Dividends <b>12</b>	-	-	-	-	-	(102,000)	(102,000)	(5,400)	(107,400)
Credit to equity for equity settled share-based payments <b>29</b>	-	-	353,152	-	-	-	353,152	-	353,152
Transfer currency translation differences	-	-	-	-	(33,304)	33,304	-	-	-
Share options exercised	-	-	(354,432)	-	-	354,432	-	-	-
<b>Balance at 30 April 2018</b>	<b>100</b>	<b>370,378</b>	<b>-</b>	<b>10</b>	<b>(119,724)</b>	<b>4,777,148</b>	<b>5,027,912</b>	<b>9,241</b>	<b>5,037,153</b>

## GAMER NETWORK LIMITED

### COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2018

	Share capital	Share premium account	Share- based payment reserve	Capital redemption reserve	Profit and loss reserves	Total
Notes	£	£	£	£	£	£
<b>Balance at 1 May 2016</b>	88	-	-	10	2,711,157	2,711,255
<b>Year ended 30 April 2017:</b>						
Profit and total comprehensive income for the year	-	-	-	-	1,310,261	1,310,261
Dividends	12	-	-	-	(121,600)	(121,600)
Credit to equity for equity settled share-based payments	29	-	1,280	-	-	1,280
<b>Balance at 30 April 2017</b>	88	-	1,280	10	3,899,818	3,901,196
<b>Year ended 30 April 2018:</b>						
Loss and total comprehensive income for the year	-	-	-	-	(1,444,122)	(1,444,122)
Issue of share capital	26	12	370,378	-	-	370,390
Dividends	12	-	-	-	(102,000)	(102,000)
Credit to equity for equity settled share-based payments	29	-	353,152	-	-	353,152
Share options exercised	29	-	(354,432)	-	354,432	-
<b>Balance at 30 April 2018</b>	100	370,378	-	10	2,708,128	3,078,616

# GAMER NETWORK LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 APRIL 2018

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	28		(533,376)		1,500,134
Interest paid			(906)		(5,441)
Income taxes paid			(370,958)		(160,775)
<b>Net cash (outflow)/inflow from operating activities</b>			(905,240)		1,333,918
<b>Investing activities</b>					
Acquisition of subsidiary (net of cash acquired)		-		(972,524)	
Acquisition of intangible assets		(999,999)		-	
Purchase of tangible fixed assets		(542,821)		(42,752)	
Acquisition of non-controlling interest		(1)		-	
Proceeds on disposal of associates		-		32,716	
Interest received		19		53	
Dividends received		-		8,000	
<b>Net cash used in investing activities</b>			(1,542,802)		(974,507)
<b>Financing activities</b>					
Proceeds from issue of shares		370,390		-	
Acquisition of non-controlling interest		-		(28,879)	
Payment of finance leases obligations		-		(47,370)	
Dividends paid to equity shareholders		(102,000)		(121,600)	
Dividends paid to non-controlling interests		(5,400)		(39,000)	
<b>Net cash generated from/(used in) financing activities</b>			262,990		(236,849)
<b>Net (decrease)/increase in cash and cash equivalents</b>			(2,185,052)		122,562
Cash and cash equivalents at beginning of year			3,069,215		2,915,567
Effect of foreign exchange rates			(4,291)		31,086
<b>Cash and cash equivalents at end of year</b>			879,872		3,069,215

# GAMER NETWORK LIMITED

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

---

### 1 Accounting policies

#### Company information

Gamer Network Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Gateway House, 28 The Quadrant, Richmond, Surrey, England, TW9 1DN.

The group consists of Gamer Network Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### Reduced disclosures

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company only information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' - Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' - Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' - Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument;
- Section 26 'Share-based Payment' - Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements; and
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

#### Basis of consolidation

The consolidated financial statements incorporate those of Gamer Network Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 April 2018. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions and balances between group companies are eliminated on consolidation.



# GAMER NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2018

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#### 1 Accounting policies (Continued)

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

#### Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group and company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

#### Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is estimated by the directors to be 4 years.

#### Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs	4 years straight line
Brand	4 years straight line

# GAMER NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2018

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#### 1 Accounting policies (Continued)

##### **Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings leasehold	straight line over the life of the lease
Fixtures and fittings	25% reducing balance
Equipment	25% straight line
Motor vehicles	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

##### **Fixed asset investments**

In the separate accounts of the company, interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Undertakings in which the group has significant influence (i.e. the power to participate in the financial and operating policy decisions but not control or joint control over those policies) are classified as associates. The group's share of the results, other comprehensive income and equity of associates are accounted for using the equity method based on the associate's financial statements to 30 April.

Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill.

Dividends received from the associate reduce the carrying amount of the investment.

Losses in an associate that reduce the carrying amount of the investment in the associate to below zero are not recognised, but a provision is recognised to the extent that the group has an obligation or has made payments on behalf of the associate.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

##### **Impairment of fixed assets**

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

# GAMER NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2018

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#### 1 Accounting policies (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An 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' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of 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 deducting all of its liabilities.

# GAMER NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

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### 1 Accounting policies (Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

#### **Equity instruments**

Equity instruments issued by the group are recorded at the fair value of the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable. Current and deferred tax is charged or credited to profit or loss.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

# **GAMER NETWORK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 30 APRIL 2018**

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#### **1 Accounting policies (Continued)**

##### **Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

##### **Share-based payments**

The company grants share options ("equity-settled share-based payments") to certain employees.

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to a share-based payment reserve within equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

##### **Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

##### **Foreign exchange**

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

# GAMER NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Identification of intangible assets

During the year, management exercised judgement in order to determine the existence of intangible assets arising on the acquisition of VG247 Ltd. It was determined that the acquisition of the remaining 50% of the VG247 Ltd shares represented, in substance, the acquisition of the brand of this dormant company. Management determined that the brand represented the only identifiable intangible asset given that VG247 Ltd has no other activities. An amount of £999,999 has therefore been recognised in respect of the brand intangible asset, being the excess of consideration over the net assets value of VG247 Ltd.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Amortisation of intangible assets

The group recognises intangible assets, which includes goodwill, development costs, brand value. The amortisation period of these intangible assets represents managements' estimation of their useful economic lives, being the period they are expected to continue to produce future economic benefits to the business. Management have estimated amortisation periods of 4 years across all intangible assets.

### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2018 £	2017 £
<b>Turnover analysed by class of business</b>		
Digital	6,751,736	6,073,329
Advertising	1,090,199	756,891
Merchandising	44,194	29,528
Tickets	882,696	846,680
Exhibitors	2,436,784	2,260,417
Other	129,447	57,302
	<u>11,335,056</u>	<u>10,024,147</u>

# GAMER NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

### 3 Turnover and other revenue (Continued)

	2018 £	2017 £
<b>Other revenue</b>		
Interest income	19	53

	2018 £	2017 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	5,478,191	4,764,851
Rest of Europe	4,461,217	3,094,720
Rest of the world	1,395,648	2,164,576
	<u>11,335,056</u>	<u>10,024,147</u>

### 4 Exceptional costs

	2018 £	2017 £
One-off impairment losses	485,081	-
Share based payment costs	353,152	-
Transaction bonuses	795,636	-
	<u>1,633,869</u>	<u>-</u>

Following the acquisition of the group in February 2018, management took the decision to rationalise the group's structure. This has led to the impairment of goodwill associated in respect of previous acquisitions, alongside the provision of certain balances owed by related companies. The effect of this is to recognise an expense of £485,081 in the current year.

In addition, the company's share options were exercised on the date of acquisition of the group and so an accelerated share based payments charge has been recognised in these financial statements totalling £353,152.

A final one-off cost in the year relates to the transaction bonuses awarded to certain members of staff and contractors, payable on acquisition, totalling £795,636.

As noted in the strategic report, management consider the above figures to be material to the financial statements and so have shown these separately to better highlight the underlying trading performance of the group.

# GAMER NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

### 5 Employees

The average monthly number of persons (including directors) employed during the year was:

	<b>Group 2018 Number</b>	<b>2017 Number</b>	<b>Company 2018 Number</b>	<b>2017 Number</b>
Directors	4	5	4	5
Sales & marketing	7	9	5	5
Editorial	36	24	29	24
Tech	12	7	12	7
Administration	14	8	7	8
	<u>73</u>	<u>53</u>	<u>57</u>	<u>49</u>

Their aggregate remuneration comprised:

	<b>Group 2018 £</b>	<b>2017 £</b>	<b>Company 2018 £</b>	<b>2017 £</b>
Wages and salaries	4,093,002	3,003,455	2,800,860	1,929,527
Social security costs	409,016	251,531	271,632	199,653
Pension costs	43,435	23,428	34,410	20,129
	<u>4,545,453</u>	<u>3,278,414</u>	<u>3,106,902</u>	<u>2,149,309</u>

### 6 Directors' remuneration

	<b>2018 £</b>	<b>2017 £</b>
Remuneration for qualifying services	546,769	187,973
Company pension contributions to defined contribution schemes	6,595	5,896
Sums paid to third parties for directors' services	-	33,000
	<u>553,364</u>	<u>226,869</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2017 - 1).

Dividends paid to directors amounted to £102,000 (2017: £121,600).

The number of directors who exercised share options during the year was 1 (2017 - 0).



# GAMER NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

### 6 Directors' remuneration (Continued)

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2018 £	2017 £
Remuneration for qualifying services	514,369	173,573
Company pension contributions to defined contribution schemes	6,475	5,752
	<u>520,844</u>	<u>179,325</u>

The highest paid director exercised options over 220 shares in the company in the year (2017 - 0).

### 7 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	172,069	(83,175)
Depreciation of owned tangible fixed assets	145,513	71,728
Amortisation of intangible assets	437,197	22,214
Impairment of intangible assets	375,835	-
Cost of stocks recognised as an expense	1,602	10,488
Share-based payments	353,152	1,280
Operating lease charges	146,368	68,414
	<u>1,531,736</u>	<u>102,849</u>

### 8 Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and its associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	20,200	18,250
Audit of the financial statements of the company's subsidiaries	19,090	9,750
	<u>39,290</u>	<u>28,000</u>
<b>For other services</b>		
Taxation compliance services	8,150	8,110
All other non-audit services	15,500	18,150
	<u>23,650</u>	<u>26,260</u>

### 9 Interest receivable and similar income

	2018 £	2017 £
<b>Interest income</b>		
Interest on bank deposits	19	53
	<u>19</u>	<u>53</u>

# GAMER NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

### 10 Interest payable and similar expenses

	2018 £	2017 £
Interest on bank overdrafts and loans	906	1,551
Interest on finance leases and hire purchase contracts	-	3,890
Total finance costs	<u>906</u>	<u>5,441</u>

### 11 Taxation

	2018 £	2017 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	381,796
Adjustments in respect of prior periods	(208,915)	(8,111)
Total current tax	<u>(208,915)</u>	<u>373,685</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(99,608)	(3,784)
Changes in tax rates	-	(1,283)
Adjustment in respect of prior periods	155	-
Total deferred tax	<u>(99,453)</u>	<u>(5,067)</u>
Total tax (credit)/charge for the year	<u>(308,368)</u>	<u>368,618</u>

The total tax (credit)/charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2018 £	2017 £
Profit before taxation	<u>392,618</u>	<u>1,820,841</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.92%)	74,597	362,712
Tax effect of expenses that are not deductible in determining taxable profit	198,490	14,056
Tax effect of income not taxable in determining taxable profit	-	(39)
Adjustments in respect of prior years	(208,915)	(8,111)
Deferred tax adjustments in respect of prior years	5,707	-
Fixed asset differences	1,764	-
Release of deferred tax	(56,667)	-
Losses carried back	191,966	-
Other permanent differences	(515,310)	-
Taxation (credit)/charge for the year	<u>(308,368)</u>	<u>368,618</u>

# GAMER NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

### 12 Dividends

	2018 £	2017 £
Interim paid - £1,220.45 per share (2017: £1,825.00 per share)	107,400	160,600

During the year dividends of £5,400 (2017: £39,000) were paid to non-controlling interests

### 13 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2018 £	2017 £
In respect of:			
Goodwill	14	375,835	-
Recognised in:			
Administrative expenses		375,835	-

The impairment of goodwill arose in connection with a planned restructuring after the year end following the agreement to liquidate Rock, Paper, Shotgun Limited and VG247 Ltd.

### 14 Intangible fixed assets

Group	Goodwill £	Development costs £	Brand £	Total £
<b>Cost</b>				
At 1 May 2017	400,182	45,929	750,000	1,196,111
Additions - business combinations	170,000	-	999,999	1,169,999
At 30 April 2018	570,182	45,929	1,749,999	2,366,110
<b>Amortisation</b>				
At 1 May 2017	90,483	45,929	15,625	152,037
Amortisation charged for the year	103,864	-	333,333	437,197
Impairment losses	375,835	-	-	375,835
At 30 April 2018	570,182	45,929	348,958	965,069
<b>Carrying amount</b>				
At 30 April 2018	-	-	1,401,041	1,401,041
At 30 April 2017	309,699	-	734,375	1,044,074

# GAMER NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

### 14 Intangible fixed assets (Continued)

Company	Goodwill	Development costs	Total
	£	£	£
<b>Cost</b>			
At 1 May 2017 and 30 April 2018	83,894	45,929	129,823
<b>Amortisation</b>			
At 1 May 2017 and 30 April 2018	83,894	45,929	129,823
<b>Carrying amount</b>			
At 30 April 2017 and 30 April 2018	-	-	-

More information on the impairment arising in the year is given in note 13.

### 15 Tangible fixed assets

Group	Land and buildings leasehold	Fixtures and fittings	Equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 May 2017	18,630	128,762	456,446	73,430	677,268
Additions	426,426	77,936	38,459	-	542,821
Exchange adjustments	-	-	208	-	208
At 30 April 2018	445,056	206,698	495,113	73,430	1,220,297
<b>Depreciation</b>					
At 1 May 2017	18,630	97,497	378,109	18,564	512,800
Depreciation charged in the year	47,381	27,300	61,078	9,754	145,513
At 30 April 2018	66,011	124,797	439,187	28,318	658,313
<b>Carrying amount</b>					
At 30 April 2018	379,045	81,901	55,926	45,112	561,984
At 30 April 2017	-	31,265	78,337	54,866	164,468

# GAMER NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

### 15 Tangible fixed assets (Continued)

Company	Land and buildings leasehold	Fixtures and fittings	Equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 May 2017	18,630	11,881	452,604	73,430	556,545
Additions	426,426	76,436	38,459	-	541,321
At 30 April 2018	445,056	88,317	491,063	73,430	1,097,866
<b>Depreciation</b>					
At 1 May 2017	18,630	9,372	378,109	18,564	424,675
Depreciation charged in the year	47,381	19,736	60,913	9,754	137,784
At 30 April 2018	66,011	29,108	439,022	28,318	562,459
<b>Carrying amount</b>					
At 30 April 2018	379,045	59,209	52,041	45,112	535,407
At 30 April 2017	-	2,509	74,495	54,866	131,870

### 16 Fixed asset investments

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Investments in subsidiaries	17	-	-	95,513	1,045,014
Investments in associates	18	97,847	56,523	235	235
Investments in joint ventures	19	-	-	2	2
		97,847	56,523	95,750	1,045,251

# GAMER NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

### 16 Fixed asset investments (Continued)

#### Movements in fixed asset investments Group

Shares in  
associate  
undertakings  
and  
participating  
interests  
£

#### Cost

At 1 May 2017	56,523
Share of profit of associates and joint venture	41,324
At 30 April 2018	97,847

#### Carrying amount

At 30 April 2018	97,847
At 30 April 2017	56,523

#### Movements in fixed asset investments Company

Shares in  
group  
undertakings  
and  
participating  
interests  
£

#### Cost

At 1 May 2017	1,045,251
Additions	1,000,000
At 30 April 2018	2,045,251

#### Impairment

At 1 May 2017	-
Impairment losses	1,949,501
At 30 April 2018	1,949,501

#### Carrying amount

At 30 April 2018	95,750
At 30 April 2017	1,045,251

The impairment losses above arose in respect of a planned restructuring after the year end following the agreement to liquidate Gamer Edition Limited, RPS Gaming Ltd and VG247 Ltd.

# GAMER NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

### 17 Subsidiaries

Details of the company's subsidiaries at 30 April 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Gamer Events Limited	Gateway House, Events organisation 28 The Quadrant, Richmond, Surrey, England, TW9 1DN		Ordinary	100	
Gamer Edition Limited	As above	Creation and sale of games merchandise	Ordinary	100	
Out There Gaming Limited	As above	Video production	Ordinary	70	
VG247 Ltd	As above	Dormant	Ordinary	100	
RPS Gaming Ltd	As above	Journalism	Ordinary	100	
Gamer Network Inc	1105 North Market St., Suite 501, Wilmington, Delaware	Information technology services	Ordinary	100	

### 18 Associates

Details of associates at 30 April 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
NLife Ltd	Unit 18-19 Loughborough Technology Centre, Epinal Way, Loughborough, England, LE11 3GE	Internet publishing	Ordinary	23.5	

### 19 Joint ventures

Details of joint ventures at 30 April 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Digital Foundry Network Limited	Gateway House, Video Production 28 The Quadrant, Richmond, Surrey, TW9 1DN		Ordinary	50	

# GAMER NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

### 20 Acquisitions

On 25 September 2017 the group acquired the remaining 50% of the issued capital of VG247 Ltd for consideration of £1,000,000. The group controlled VG247 Ltd before and after this acquisition, and was already accounting for VG247 Ltd as a subsidiary. As a result of this transaction VG247 Ltd is now wholly owned.

At the date of the acquisition of the remaining 50% interest, VG247 Ltd was a £2 dormant company. The consideration of £1,000,000 effectively therefore represents the acquisition of brand value of VG247 Ltd. Consequently, VG247 Ltd has therefore been accounted for using the acquisition method of accounting rather than taking the additional consideration directly to equity as the directors consider this best reflects the substance of the transaction. At 25 September 2017 the assets and liabilities of VG247 Ltd were consolidated at their fair values to the group, as set out below:

	Book Value	Adjustments	Fair Value
	£	£	£
Intangible assets	-	999,999	999,999
Other debtors	2	-	2
Deferred tax	-	(170,000)	(170,000)
	<u>2</u>	<u>829,999</u>	<u>830,001</u>
Total identifiable net assets			
Goodwill			170,000
			<u>1,000,001</u>
Total consideration			
			<u>1,000,001</u>
The consideration was satisfied by:			£
Cash			100,000
Existing shareholding			1
Deferred consideration			900,000
			<u>1,000,001</u>



# GAMER NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

### 21 Debtors

	Group 2018	2017	Company 2018	2017
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	1,024,511	1,418,163	758,410	968,041
Amounts owed by parent undertaking	2,515,391	-	561,791	-
Unpaid share capital	10	10	-	-
Corporation tax recoverable	217,351	3,132	214,048	-
Amounts owed by group undertakings	-	-	1,465,431	1,595,823
Amounts owed by joint venture	-	93,440	-	93,440
Other debtors	62,197	17,439	60,189	17,439
Prepayments and accrued income	782,111	432,953	567,484	292,779
	<u>4,601,571</u>	<u>1,965,137</u>	<u>3,627,353</u>	<u>2,967,522</u>
Deferred tax asset (note 24)	32,142	621	31,740	414
	<u>4,633,713</u>	<u>1,965,758</u>	<u>3,659,093</u>	<u>2,967,936</u>

### 22 Creditors: amounts falling due within one year

	Group 2018	2017	Company 2018	2017
	£	£	£	£
Trade creditors	807,794	248,635	478,971	136,238
Amounts due to group undertakings	-	-	152,893	134,577
Corporation tax payable	5,269	370,923	-	205,978
Other taxation and social security	624,566	249,665	563,148	90,215
Other creditors	24,347	583,081	18,368	478,696
Accruals and deferred income	827,117	948,262	479,619	526,115
	<u>2,289,093</u>	<u>2,400,566</u>	<u>1,692,999</u>	<u>1,571,819</u>

### 23 Financial instruments

	Group 2018	2017	Company 2018	2017
	£	£	£	£
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	<u>4,103,797</u>	<u>1,728,819</u>	<u>n/a</u>	<u>n/a</u>
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	<u>1,546,498</u>	<u>1,503,944</u>	<u>n/a</u>	<u>n/a</u>

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

# GAMER NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

### 24 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

	Liabilities 2018 £	Liabilities 2017 £	Assets 2018 £	Assets 2017 £
<b>Group</b>				
Accelerated capital allowances	7,378	18,643	-	-
Timing differences on acquisition	240,833	127,500	-	-
Tax losses	-	-	30,507	-
Other short term timing differences	-	-	1,635	621
	<u>248,211</u>	<u>146,143</u>	<u>32,142</u>	<u>621</u>

	Liabilities 2018 £	Liabilities 2017 £	Assets 2018 £	Assets 2017 £
<b>Company</b>				
Accelerated capital allowances	6,788	17,485	-	-
Tax losses	-	-	30,507	-
Other short term timing differences	-	-	1,233	414
	<u>6,788</u>	<u>17,485</u>	<u>31,740</u>	<u>414</u>

	Group 2018 £	Company 2018 £
<b>Movements in the year:</b>		
Net liability at 1 May 2017	145,522	17,071
Charge/(credit) to profit or loss	70,547	(42,023)
Liability/(asset) at 30 April 2018	<u>216,069</u>	<u>(24,952)</u>

### 25 Retirement benefit schemes

	2018 £	2017 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>43,435</u>	<u>23,428</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

# GAMER NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

### 26 Share capital

	Group and company	
	2018	2017
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
2,000 Ordinary shares of 1p each	20	8
2,700 A Ordinary shares of 1p each	27	27
2,700 B Ordinary shares of 1p each	27	27
1,300 C Ordinary shares of 1p each	13	13
1,300 D Ordinary shares of 1p each	13	13
	<u>100</u>	<u>88</u>

During the year, 1,200 ordinary shares with a nominal value of £12 were issued for consideration of £370,390.

### 27 Reserves

#### Capital redemption reserve

The nominal value of shares repurchased and still held at the end of the reporting period.

#### Share-based payment reserve

The cumulative share-based payment expense.

#### Translation reserve

The cumulative gains or losses recognised on the translation of a foreign subsidiary included within the consolidated group balances.

#### Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

# GAMER NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

### 28 Cash generated from group operations

	2018 £	2017 £
Profit for the year after tax	700,986	1,452,223
Adjustments for:		
Share of results of associates and joint ventures	(41,324)	(25,076)
Taxation (credited)/charged	(308,368)	368,618
Finance costs	906	5,441
Investment income	(19)	(53)
Amortisation and impairment of intangible assets	813,032	22,214
Depreciation and impairment of tangible fixed assets	145,513	71,728
Foreign exchange gains	(29,221)	(82,589)
Equity settled share based payment expense	353,152	1,280
Movements in working capital:		
(Increase) in debtors	(2,422,214)	(572,194)
Increase in creditors	254,181	258,542
<b>Cash (absorbed by)/generated from operations</b>	<b>(533,376)</b>	<b>1,500,134</b>

### 29 Share-based payment transactions

#### *Equity-settled share option plan*

Under the group plan, share options are granted at the average price of the company's shares at the grant date. The employee is entitled to exercise the share options on the occurrence of a takeover, sale or admission of the company. If options remain unexercised after a period of 10 years from the date of grant, the options expire. Furthermore, options are forfeited if the employees leave the group before they become entitled to exercise the share options. On exercise of the options by employees, the company issues new ordinary shares.

# GAMER NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

### 29 Share-based payment transactions (Continued)

Group and company	Number of share options		Weighted average exercise price	
	2018 Number	2017 Number	2018 £	2017 £
Outstanding at 1 May 2017	1,200	964	300.00	300.00
Granted	-	244	-	300.00
Forfeited	-	(8)	-	300.00
Exercised	(1,200)	-	300.00	-
	<u>-</u>	<u>1,200</u>	<u>-</u>	<u>300.00</u>
Outstanding at 30 April 2018	-	1,200	-	300.00
	<u>-</u>	<u>1,200</u>	<u>-</u>	<u>300.00</u>
Exercisable at 30 April 2018	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The weighted average fair value of options granted is determined using the Black-Scholes option pricing model. The Black-Scholes model is considered to apply the most appropriate valuation method due to the relatively short contractual lives of the options and the requirement to exercise within a short period after the employee becomes entitled to the shares (the "vesting date").

Group and company	2017
<b>Values input to the Black-Scholes model</b>	
Weighted average share price	1,808.00
Weighted average exercise price	300.00
Expected volatility	20.00
Risk free rate	1.50
Expected dividends yields	0.70
	<u></u>

	Group 2018 £	2017 £	Company 2018 £	2017 £
<b>Expenses recognised in the year</b>				
Arising from equity settled share based payment transactions	353,152	1,280	353,152	1,280
	<u>353,152</u>	<u>1,280</u>	<u>353,152</u>	<u>1,280</u>

All outstanding share options were exercised during the year which resulted in the cumulative share based payment charge of £354,432 being credited back to the profit and loss reserves.

# GAMER NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

### 30 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Within one year	112,500	28,840	112,500	28,840
Between one and five years	827,292	-	827,292	-
In over five years	857,083	-	857,083	-
	<u>1,796,875</u>	<u>28,840</u>	<u>1,796,875</u>	<u>28,840</u>

### 31 Related party transactions

#### Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Dividends received			
	2018 £	2017 £		
<b>Company</b>				
Entities over which the company has control, joint control or significant influence	12,600	78,000		
	<u></u>	<u></u>		
	Commission paid		Services received/ (recharged)	
	2018 £	2017 £	2018 £	2017 £
<b>Group</b>				
Other related parties	-	-	-	33,000
Entities over which the entity has control, joint control or significant influence	430,663	557,743	-	-
	<u></u>	<u></u>	<u></u>	<u></u>
<b>Company</b>				
Other related parties	-	-	-	33,000
Entities over which the entity has control, joint control or significant influence	931,178	1,038,145	(75,618)	(105,861)
	<u></u>	<u></u>	<u></u>	<u></u>

# GAMER NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

### 31 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2018 £	2017 £
<b>Group</b>		
Entities over which the group has control, joint control or significant influence	-	41,344
Key management personnel	-	283
	<u>          </u>	<u>          </u>
<b>Company</b>		
Entities over which the company has control, joint control or significant influence	56,561	147,931
Key management personnel	-	283
	<u>          </u>	<u>          </u>
	Amounts owed by related parties	
	2018 £	2017 £
<b>Group and company</b>		
Entities over which the company has control, joint control or significant influence	-	93,440
	<u>          </u>	<u>          </u>

All amounts outstanding are unsecured, non-interest bearing and will be settled in cash. No guarantees have been given or received. An expense of £109,246 has been recognised in the year (2017: £nil) in respect of bad debts from related parties.

### 32 Controlling party

On 26 February 2018, 100% of the share capital of the company was purchased by Reed Exhibitions Ltd. RELX Group Plc is the ultimate parent company incorporated in the United Kingdom.

The largest group for which consolidated accounts including Gamer Network Limited are prepared is those of RELX Group Plc. The consolidated accounts of RELX Group Plc are available from its registered office, 1-3 Strand, London, WC2N 5JR.