

Registered number  
04724172

# Probability Games Corporation Ltd

## Report and Accounts

31 March 2014

TUESDAY



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COMPANIES HOUSE

**Probability Games Corporation Ltd**  
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**Probability Games Corporation Ltd**  
**Company Information**

**Directors**

Charles Cohen

Robert Andrew Jones

**Registered Office**

4<sup>th</sup> Floor

70 Chancery Lane

London

WC2A 1AF

**Auditors**

BDO LLP

55 Baker Street

London

W1U 7EU

**Registered number**

04724172

**Probability Games Corporation Ltd-  
Directors' Report  
For the year ended 31 March 2014**

Directors present their report and accounts for year ended 31 March 2014

**Principal activities and review of the business**

The company's principal activity during the year continued to be that of development of gaming software and payment services for mobile phones.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

**Results and dividends**

The loss for the year is set out on page 6.

The directors do not recommend the payment of a dividend (2013 – nil).

**Directors**

The following directors served during the year:

Charles Cohen	
William Henbrey	(resigned 4 December 2013)
Peter Russell	(resigned 2 June 2014)
Robert Andrew Jones	(appointed 2 June 2014)

**Disclosure of information to auditors**

So far as each director at the date of approval of this report is aware:

- There is no relevant audit information of which the company's auditors are unaware; and
- The directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**Probability Games Corporation Ltd**  
**Directors' report**  
**For the year ended 31 March 2014**

**Directors' Responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 company and of the profit or loss of the company for that period.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgments 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 company will continue in business.

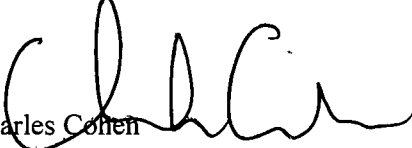
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

**Auditors**

BDO LLP has expressed their willingness to continue in-office. Under Companies Act 2006 section 487(2) they will be automatically re-appointed as auditors 28 days after these accounts are sent to members, unless the members exercise their rights under Companies Act 2006 to prevent their re-appointment.

In preparing this directors' report, advantage has been taken of the small companies exemption.

On behalf of the board

  
Charles Cohen  
Director

18 DECEMBER 2014

**Probability Games Corporation Ltd**  
**Independent auditors' report**  
**To the members of Probability Games Corporation Ltd**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROBABILITY GAMES CORPORATION LTD**

We have audited the financial statements of Probability Games Corporation Ltd for the year ended 31 March 2014 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

**Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Probability Games Corporation Ltd**  
**Independent auditors' report**  
**To the members of Probability Games Corporation Ltd**

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

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

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

BDO LLP

*Ian Clayden (senior statutory auditor)*  
*For and on behalf of BDO LLP, statutory auditor*  
*Baker Street, London*

Date 18 DECEMBER 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**Probability Games Corporation Ltd**  
**Profit and Loss Account**  
**For the year ended 31 March 2014**

	Notes	2014 £	2013 £
<b>Turnover</b>	2	1,386,700	1,788,248
Cost of sales		(55,240)	(41,492)
<b>Gross profit</b>		<u>1,331,460</u>	<u>1,746,756</u>
Other administrative expenses		(2,050,627)	(1,412,252)
Share option charge		(50,000)	(24,434)
Administrative expenses		(2,100,627)	(1,436,686)
<b>Operating loss</b>	3	<u>(769,167)</u>	<u>310,070</u>
Interest receivable	6	4,692	954
<b>Profit for the financial year before taxation</b>		<u>(764,475)</u>	<u>311,024</u>
<b>Taxation</b>	7	-	-
<b>Retained profit for the financial year after taxation</b>		<u>(764,475)</u>	<u>311,024</u>

All the amounts relate to continuing activities.

All recognised gains and losses for the current and prior year are included within the profit and loss account.

The notes on the pages 8 to 14 form part of these financial statements.

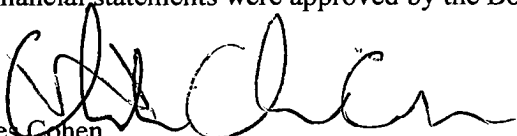


**Probability Games Corporation Ltd**  
**Balance Sheet**  
**For the year ended 31 March 2014**

	Notes	2014 £	2013 £
<b>Fixed assets</b>			
Tangible assets	8	<u>111,426</u> 111,426	<u>141,061</u> 141,061
<b>Current assets</b>			
Debtors	9	2,116,776	1,160,231
Cash at bank and in hand		<u>253,315</u>	<u>2,671,984</u>
		2,370,091	3,832,215
<b>Creditors: amounts falling due within one year</b>	10	<u>(5,016,560)</u>	<u>(5,793,844)</u>
<b>Net current liabilities</b>		(2,646,469)	(1,961,629)
<b>Net liabilities</b>		<u>(2,535,043)</u>	<u>(1,820,568)</u>
<b>Capital and reserves</b>			
Called up-share capital	11	1,515	1,515
Share premium	12	1,499,519	1,499,519
Profit and loss account	13	<u>(4,036,077)</u>	<u>(3,321,602)</u>
<b>Shareholders' deficit</b>		<u>(2,535,043)</u>	<u>(1,820,568)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on **18 DECEMBER 2014**

  
Charles Cohen  
Director

The notes on the pages 8 to 14 form part of these financial statements.

**Probability Games Corporation Ltd**  
**Notes forming part of the financial statements**  
**For the year ended 31 March 2014**

**1 Accounting policies**

***Accounting convention***

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards.

***Going concern***

The financial statements have been prepared on a going concern basis, as the directors have received assurances from the Company's intermediate parent company that it will provide adequate resources to the Company for at least twelve months from the date of the approval of the financial statements.

***Depreciation***

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant & Machinery and Fixture & Fittings	25% straight line basis
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***Capital development costs***

In preparing these financial statements the directors have considered whether the company's intangible assets should be capitalized in accordance with SSAP13 (Research and Development) and concluded that such expenditure should be recognized in the profit and loss account.

***Turnover***

Turnover is recognised to the extent that its probable economic benefits will flow to the company and the revenue can be reliably measured. Turnover represents fees for the provision of marketing and customer services and license of software.

***Foreign currencies***

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

***Leasing***

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

**Probability Games Corporation Ltd**  
**Notes forming part of the financial statements**  
**For the year ended 31 March 2014**

**1 Accounting policies** *(continued)*

***Share based payment***

Share-based payments are recognised in accordance with IFRS 2, which deals with share-based payments made for services or goods rendered. The fair value of share options granted is calculated using the most appropriate option-pricing model. The fair value of the options at the date of grant is charged to the profit and loss account over the period from the date of grant to the date that options vest (vesting period), based on the Company's best estimate of the number of shares that will eventually vest.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the income statement over the remaining vesting period.

Where a grant of share based payments is settled during the vesting period the settlement is accounted for as an acceleration of vesting and the amount that would otherwise be recognised for services rendered over the remaining vesting period is recognised immediately.

**2 Turnover**

Turnover represents the license fee from provision of the company's software and games, marketing advisory and customer services fees, net of VAT. An analysis of turnover by country of destination is given below:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Europe	<u>1,386,700</u>	<u>1,788,248</u>

**3 Operating profit**

<b>2014</b>	<b>2013</b>
<b>£</b>	<b>£</b>

This is stated after charging/(crediting):

Depreciation of owned fixed assets	59,991	53,065
Operating lease rentals - land buildings	58,195	57,274
Auditors' remuneration for audit services	10,000	10,000
Release of provision (see below)	-	(238,326)
Share based payment	<u>50,000</u>	<u>24,434</u>

The provision arose in relation to potential risks associated with the Group's historic structures and represented the directors' best estimate of any potential obligation, which could have arisen. This provision was released as, in the opinion of the directors, the likelihood of any potential obligation became remote.

**4 Directors' emoluments**

<b>2014</b>	<b>2013</b>
<b>£</b>	<b>£</b>

Emoluments for qualifying services	<u>120,000</u>	<u>100,000</u>
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**Probability Games Corporation Ltd**  
**Notes forming part of the financial statements**  
**For the year ended 31 March 2014**

<b>5</b>	<b>Wages and salaries</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Wages and salaries	1,332,065	950,076
	Social security costs	151,144	105,855
		<u>1,483,209</u>	<u>1,055,931</u>
	<b>Average number of employees during the year</b>	<b>Number</b>	<b>Number</b>
	Directors	1	1
	Administration	8	9
	Development	16	12
		<u>25</u>	<u>22</u>
<b>6</b>	<b>Interest receivable</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Deposit Interest	4,692	954
		<u>4,692</u>	<u>954</u>
<b>7</b>	<b>Taxation</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	<b>Analysis of charge in period</b>		
	Current tax	-	-
		<u>-</u>	<u>-</u>
	Deferred tax:		
	Origination and reversal of timing differences	-	-
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
	Tax on loss on ordinary activities	-	-
		<u>-</u>	<u>-</u>

**Probability Games Corporation Ltd**  
**Notes forming part of the financial statements**  
**For the year ended 31 March 2014**

**7 Taxation** *(continued)*

**Factors affecting current tax charge for period**

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	<b>2014</b> <b>£</b>	<b>2013</b> <b>£</b>
Loss on ordinary activities before tax	<u>(764,475)</u>	<u>311,024</u>
Standard rate of corporation tax in the UK	23%	24.5%
	<b>£</b>	<b>£</b>
	(175,829)	76,201
Effects of:		
Amounts not subject to corporation tax	-	(2,728)
Expenses not deductible for tax purposes	12,998	9,264
Depreciation for period in excess of capital allowances	13,798	2,410
Tax losses not utilised	-	(85,147)
Losses to carry forward	149,033	-
Current tax charge for period	<u>-</u>	<u>-</u>

The Company has an unprovided deferred tax asset of approximately £1,125,770 (2013: £990,105) relating to carried forward trading losses and decelerated capital allowances.

**Probability Games Corporation Ltd**  
**Notes forming part of the financial statements**  
**For the year ended 31 March 2014**

**8 Tangible fixed assets**

	<b>Fixtures and fittings £</b>	<b>Plant and machinery £</b>	<b>Total £</b>
<b>Cost</b>			
at 1 April 2013	135,351	120,785	256,136
Additions	4,326	26,030	30,356
At 31 March 2014	<u>139,677</u>	<u>146,815</u>	<u>286,492</u>
<b>Depreciation</b>			
At 1 April 2013	51,223	63,852	115,075
Charge for the year	34,682	25,309	59,991
At 31 March 2014	<u>85,905</u>	<u>89,161</u>	<u>175,066</u>
<b>Net book value</b>			
At 31 March 2014	<u>53,772</u>	<u>57,654</u>	<u>111,426</u>
At 31 March 2013	<u>84,128</u>	<u>56,933</u>	<u>141,061</u>

**9 Debtors**

	<b>2014 £</b>	<b>2013 £</b>
Trade debtors	105,810	57,642
Amounts owed by group undertakings	1,820,070	908,486
Other debtors	74,561	88,909
Prepayments and accrued income	<u>116,335</u>	<u>105,194</u>
	<u>2,116,776</u>	<u>1,160,231</u>

All amounts shown under debtors fall due within one year.

**10 Creditors: amounts falling due within one year**

	<b>2014 £</b>	<b>2013 £</b>
Trade creditors	103,864	87,731
Amounts owed to group undertakings	4,843,472	5,633,405
Other taxes and social security costs	39,269	34,012
Other creditors	6,796	1,410
Accruals and deferred income	<u>23,159</u>	<u>37,286</u>
	<u>5,016,560</u>	<u>5,793,844</u>

**Probability Games Corporation Ltd**  
**Notes forming part of the financial statements**  
**For the year ended 31 March 2014**

**11 Share capital**

	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>No</b>	<b>No</b>	<b>£</b>	<b>£</b>
Allotted, called up and fully paid: Ordinary shares of 1p each	151,450	151,450	1,515	1,515
			<u>1,515</u>	<u>1,515</u>

**12 Share premium**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
At 1 April and 31 March	1,499,519	1,499,519
	<u>1,499,519</u>	<u>1,499,519</u>

**13 Profit and loss account**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
At 1 April	(3,321,602)	(3,657,060)
(Loss) / profit for the financial year	(764,475)	311,024
Share based payment	50,000	24,434
At 31 March	<u>(4,036,077)</u>	<u>(3,321,602)</u>

**14 Other financial commitments**

At the year end the company had the following annual commitments under non-cancelable operating leases.

	<b>Land and buildings 2014</b>	<b>Land and buildings 2013</b>
	<b>£</b>	<b>£</b>
Operating leases which expire: within two to five years	<u>65,773</u>	<u>57,274</u>
	<u>65,773</u>	<u>57,274</u>

## **15 Related party transactions**

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, " Related Party Transactions", not to disclose any transactions with group undertakings on the basis that it is a wholly owned subsidiary of Probability Limited for who consolidated financial statements are publicly available.

Included within other debtors is an amount of £10,000 (2013 - £10,000) due from Charles Cohen, a director of the company, at the balance sheet date. This amount has been subsequently repaid post year end.

## **16 Ultimate parent company and controlling parties**

At 31 March 2014 the Company's immediate and ultimate parent company was Probability Limited (at that time Probability Plc), a company incorporated in the United Kingdom. Copies of the consolidated financial statements of Probability Limited are available from Companies House in the UK.

On 2 May 2014, the entire share capital of Probability Limited was acquired by G-Tech UK Interactive Limited (a company incorporated in the United Kingdom), which is a wholly owned subsidiary of G-Tech S.p.A, a company-listed on the Rome Stock Exchange and which is incorporated in Italy.

From that date, the ultimate controlling party is G-Tech S.p.A.