

**Company Registration No. 05260718 (England and Wales)**

**YoYo Games Limited**  
**Annual report and Financial Statements**  
**for the year ended 31 December 2020**



## **YoYo Games Limited**

### **Company information**

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<b>Directors</b>	J Kasbohm (Appointed 11 January 2021) A McParlan (Appointed 11 January 2021)
<b>Secretary</b>	Denton Secretaries Limited
<b>Company number</b>	05260718
<b>Registered office</b>	One Fleet Place London EC4M 7WS
<b>Auditor</b>	Henderson Loggie LLP The Vision Building 20 Greenmarket Dundee DD1 4QB
<b>Bankers</b>	Barclays Bank plc 8 Marketplace Basingstoke RG21 7QB

## **YoYo Games Limited**

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**YoYo Games Limited**

**Directors' report**

**for the year ended 31 December 2020**

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The directors present their annual report and financial statements for the year ended 31 December 2020.

**Principal activities**

The principal activity of the company continued to be that of development and distribution of fully internet based games.

**Results and dividends**

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend (2019 - £Nil).

**Directors**

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

P Gilbert	(Resigned 11 January 2021)
J Schlachter	(Resigned 11 January 2021)
J Kasbohm	(Appointed 11 January 2021)
A McParlan	(Appointed 11 January 2021)

**Auditor**

In accordance with section 485 of the Companies Act 2006, a resolution proposing that Henderson Loggie LLP be reappointed as auditor of the company will be put at a General Meeting.

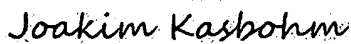
**Statement of disclosure to auditor**

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

  
Joakim Kasbohm - 2021-09-23, 19:22:21 UTC

J Kasbohm  
Director

Date: .....

**YoYo Games Limited**

**Directors' responsibilities statement**

**for the year ended 31 December 2020**

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The directors are responsible for preparing the Annual 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 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 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.

## **YoYo Games Limited**

### **Independent auditor's report**

#### **to the Members of YoYo Games Limited**

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#### **Opinion**

We have audited the financial statements of YoYo Games Limited (the 'company') for the year ended 31 December 2020 which comprise the income statement, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Material uncertainty related to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The directors are responsible for the 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.

## **YoYo Games Limited**

### **Independent auditor's report (continued)**

#### **to the Members of YoYo Games Limited**

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#### **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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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

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

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 financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing COPPA compliance including the review of the company's policies, and terms and conditions;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the carrying value of intangible and tangible fixed assets, the capitalisation of internally generated intangible assets, right-of-use assets, and accruals; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

**YoYo Games Limited**

**Independent auditor's report (continued)**

**to the Members of YoYo Games Limited**

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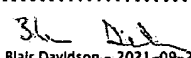
As a result of the field in which the company operates, we identified the following areas as those most likely to have a material impact on the financial statements: COPPA regulations; health and safety; employment law (including the Working Time Directive); anti-bribery and corruption; Data Protection Act 2018; and compliance with the UK Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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.

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|   
Blair Davidson - 2021-09-24, 07:24:21 UTC

**Blair Davidson (Senior Statutory Auditor)**  
**For and on behalf of Henderson Loggie LLP**

**Chartered Accountants**  
**Statutory Auditor**

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The Vision Building  
20 Greenmarket  
Dundee  
DD1 4QB



**YoYo Games Limited****Income statement****for the year ended 31 December 2020**

		2020 £	2019 £
	Notes		
Revenue	3	2,447,157	2,417,582
Cost of sales		(248,529)	(217,893)
<b>Gross profit</b>		<b>2,198,628</b>	<b>2,199,689</b>
Administrative expenses		(2,219,351)	(2,791,066)
Other operating income		15,775	-
<b>Operating loss</b>	4	<b>(4,948)</b>	<b>(591,377)</b>
Finance costs	6	(24,363)	(27,824)
<b>Loss before taxation</b>		<b>(29,311)</b>	<b>(619,201)</b>
Tax on loss	7	35,549	109,064
<b>Profit/(loss) and total comprehensive income for the financial year</b>	20	<b>6,238</b>	<b>(510,137)</b>

The income statement has been prepared on the basis that all operations are continuing operations.

The accompanying accounting policies and notes form an integral part of these financial statements.

**YoYo Games Limited**

**Statement of financial position**

**as at 31 December 2020**

	Notes	2020 £	£	2019 £	£
<b>Non-current assets</b>					
Intangible assets	8	401,894		680,941	
Property, plant and equipment	9	246,536		340,043	
		<u>648,430</u>		<u>1,020,984</u>	
<b>Current assets</b>					
Trade and other receivables	11	102,518		160,609	
Cash and cash equivalents		355,436		876,432	
		<u>457,954</u>		<u>1,037,041</u>	
<b>Current liabilities</b>					
Borrowings	12	837,513		1,631,662	
Trade and other payables	13	120,085		140,703	
Taxation and social security		51,274		94,162	
Lease liabilities	14	61,223		57,503	
		<u>1,070,095</u>		<u>1,924,030</u>	
<b>Net current liabilities</b>			<u>(612,141)</u>		<u>(886,989)</u>
<b>Total assets less current liabilities</b>			<u>36,289</u>		<u>133,995</u>
<b>Non-current liabilities</b>					
Lease liabilities	14	111,938		173,161	
			<u>(111,938)</u>		<u>(173,161)</u>
<b>Provisions for liabilities</b>					
Deferred tax liabilities	15		<u>(74,317)</u>		<u>(117,038)</u>
<b>Net liabilities</b>			<u>(149,966)</u>		<u>(156,204)</u>
<b>Equity</b>					
Called up share capital	18	2,388		2,388	
Share premium account	19	325,735		325,735	
Retained earnings	20	(478,089)		(484,327)	
<b>Total equity</b>			<u>(149,966)</u>		<u>(156,204)</u>

**YoYo Games Limited**

**Statement of financial position (continued)**

**as at 31 December 2020**

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The financial statements were approved by the board of directors and authorised for issue on .....  
and are signed on its behalf by:

*Joakim Kasbohm*

Joakim Kasbohm - 2021-09-23, 19:22:21 UTC

J Kasbohm  
Director

**Company Registration No. 05260718**

**YoYo Games Limited**

**Statement of changes in equity**

**for the year ended 31 December 2020**

	Share capital £	Share premium account £	Retained earnings £	Total £
<b>Balance at 1 January 2019</b>	2,388	325,735	25,810	353,933
<b>Year ended 31 December 2019:</b>				
Loss and total comprehensive income for the year	-	-	(510,137)	(510,137)
<b>Balance at 31 December 2019</b>	2,388	325,735	(484,327)	(156,204)
<b>Year ended 31 December 2020:</b>				
Profit and total comprehensive income for the year	-	-	6,238	6,238
<b>Balance at 31 December 2020</b>	2,388	325,735	(478,089)	(149,966)

## YoYo Games Limited

### Notes to the financial statements

for the year ended 31 December 2020

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#### 1 Accounting policies

##### Company information

YoYo Games Limited is a private company limited by shares incorporated in England and Wales. The registered office is One Fleet Place, London, EC4M 7WS. The company's principal activities and nature of its operations are disclosed in the directors' report.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

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.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment (iii) paragraph 118 (e) of IAS 38 Intangibles Assets, (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property and (v) paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to share based payments, financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions.

Where required, equivalent disclosures are given in the group accounts of Playtech plc. The group accounts of Playtech plc are available to the public and can be obtained from [www.playtech.com](http://www.playtech.com).

## YoYo Games Limited

### Notes to the financial statements (continued)

for the year ended 31 December 2020

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#### 1 Accounting policies (continued)

##### 1.2 Going concern

At the year end, the company had net liabilities of £150k (2019 – £156k) which included creditors due to fellow subsidiaries in the Playtech Group of £838k (2019 - £1,632k). The company meets its day-to-day working capital requirements from the cash flows generated by its trading activities and its available cash resources, and seeks financial support from the Playtech Group, of which the company is a member, when required.

On 11 January 2021 the company was sold by the Playtech Group to Opera Norway AS, a company incorporated in Oslo, Norway. Prior to the sale the above intercompany balances were settled and from the date of sale forward Yoyo Games Limited would seek financial support from its new parent company when required.

Having regard for the above information, the financial statements have been prepared on a going concern basis. The directors have considered relevant information, including the annual budget, forecast future cash flows, potential support from group undertakings and the impact of subsequent events in making their assessment. The directors have performed an analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios including those arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact of the pandemic, although based on the impact on the business thus far this is not expected to be significant.

Based on these assessments and having regard to the resources available to the company, the directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and financial statements.

##### 1.3 Revenue

Revenue from the sale of software and licences is recognised on completion of the performance obligation, which is typically on delivery of the software and licences, at which time control has passed to the buyer, the amount of revenue can be measured reliably, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Revenue from contracts for the provision of software maintenance or development is recognised on completion of the performance obligation, which is typically on the completion and launch of the software, unless the criteria are met to recognise revenue over time, when revenue is recognised evenly over the period of service. Revenues relating to management and integration fees are recognised at a point in time in the period they relate.

##### 1.4 Intangible assets other than goodwill

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- It is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the company is able to sell the product
- sale of the product will generate future economic benefits; and
- expenditure on the project can be measured reliably.

Capitalised development costs are amortised over the periods the company expects to benefit from selling the products developed, which is 36 months from launch.

The amortised expense is included within the statement of comprehensive income.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the statement of comprehensive income as incurred.

**1 Accounting policies (continued)**

**1.5 Property, plant and equipment**

Property, plant and equipment 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 contractual lease period
Leasehold improvements	20% straight line
Fixtures & fittings	25% - 33% straight line
Computer equipment	33% straight line

The Land and buildings Leasehold above relates to the right-of-use asset discussed further in note 14.

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 recognised in the income statement.

**1.6 Non-current investments**

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 company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

**1.7 Impairment of tangible and intangible assets**

At each reporting end date, the company 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

**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 (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.8 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.9 Financial assets**

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets at fair value through profit or loss

Financial assets are classified as at FVTPL when the financial asset is held for trading. This is the case if:

- the asset has been acquired principally for the purpose of selling in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Interest and dividends are included in 'Investment income' and gains and losses on remeasurement included in 'other gains and losses' in the statement of comprehensive income.

Financial assets held at amortised cost



**1 Accounting policies (continued)**

Trade receivables, amounts due from fellow group undertakings, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as financial assets held at amortised cost.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

**Impairment of financial assets**

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

The company always recognises lifetime ECL (expected credit losses) for trade receivables, which are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including the time value of money where appropriate.

The company writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off are still subject to enforcement activities. Any recoveries made are recognised in profit or loss.

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 of the investment have been affected.

**Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

**1.10 Financial liabilities**

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

**Financial liabilities at fair value through profit or loss**

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

**YoYo Games Limited**

**Notes to the financial statements (continued)**

**for the year ended 31 December 2020**

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**1 Accounting policies (continued)**

**Other financial liabilities**

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

**Derecognition of financial liabilities**

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

**1.11 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

**1.12 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

**Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

**Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**1 Accounting policies (continued)**

**1.13 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.14 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.15 Leases**

At inception, the company assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the company is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the company's estimate of the amount expected to be payable under a residual value guarantee; or the company's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

**YoYo Games Limited**

**Notes to the financial statements (continued)**

**for the year ended 31 December 2020**

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**1 Accounting policies (continued)**

**1.16 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

**2 Critical accounting estimates and judgements**

In the application of the company'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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

**Critical judgements**

**Impairment of goodwill and other intangibles**

The company is required to test, on an annual basis, whether intangible assets not yet in use and indefinite life assets have suffered any impairment. The company is required to test other intangibles if events of changes in circumstances indicated that their carrying amount may not be recoverable. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. Such estimates are based on management's experience of the business, but actual outcomes may vary. More details including carrying values are included in note 8.

**Amortisation and depreciation of intangible and tangible assets**

Intangible assets and property, plant and equipment are amortised or depreciated over their useful lives. Useful lives are based on management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness.

Changes to estimates can result in significant variations in the amounts charged to the income statement in specific periods.

**Capitalisation of internally generated intangible assets**

Expenditure on internally developed products is capitalised when the costs meet the below requirements:

- adequate resources are available to complete and sell the product
- the company is able to sell the product
- sale of the product will generate future economic benefits
- expenditure on the project can be measured reliably

Significant judgement is involved where the costs relate to early stages of software development or where future economic benefit is uncertain.

Where costs meet the above criteria they are capitalised under intangible assets.

**YoYo Games Limited****Notes to the financial statements (continued)****for the year ended 31 December 2020****2 Critical accounting estimates and judgements (continued)****Right-of-use assets**

Management estimate the discount rate used to calculate the lease liability as the rate in the lease, if it can be readily determined, or the company's incremental borrowing rate if not. As no such interest rates were available in 2020 management considered the rate of 7.56 per cent appropriate based upon the nominal incremental borrowing rate at 1 January 2020.

**Key sources of estimation uncertainty****Accruals**

Management estimate requirements for accruals using post year end information and information available from detailed budgets. This identifies costs and income that are expected to be incurred or received for goods/services provided by and to other parties. Accruals are only released when there is a reasonable expectation that these costs will not be invoiced in the future.

**3 Revenue**

An analysis of the company's revenue is as follows:

	2020 £	2019 £
<b>Revenue analysed by class of business</b>		
Sales of Gamemaker software	2,447,157	2,417,582
	<u>2,447,157</u>	<u>2,417,582</u>
	2020 £	2019 £
<b>Revenue analysed by geographical market</b>		
UK	161,812	118,666
Europe	422,990	304,156
North America	1,303,141	1,651,501
Rest of the world	559,214	343,259
	<u>2,447,157</u>	<u>2,417,582</u>

The Company had no material remaining performance obligations at the balance sheet date.

**4 Operating loss**

	2020 £	2019 £
Operating loss for the year is stated after charging/(crediting):		
Exchange losses	96,041	93,829
Research and development costs	30,288	32,553
Fees payable to the company's auditor for the audit of the company's financial statements	13,500	15,500
Depreciation of property, plant and equipment	105,472	109,140
Profit on disposal of property, plant and equipment	-	(2,917)
Amortisation of intangible assets (included within administrative expenses)	279,047	875,006
	<u>279,047</u>	<u>875,006</u>

**YoYo Games Limited****Notes to the financial statements (continued)****for the year ended 31 December 2020****5 Employees**

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

	2020 Number	2019 Number
Admin	4	4
Development	14	15
Sales	9	8
<b>Total</b>	<b>27</b>	<b>27</b>

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	1,125,579	1,165,746
Social security costs	116,622	121,162
Pension costs	127,386	114,638
	<b>1,369,587</b>	<b>1,401,546</b>
Amounts capitalised in year	-	(219,761)
	<b>1,369,587</b>	<b>1,181,785</b>

**6 Finance costs**

	2020 £	2019 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest payable to group undertakings	11,870	11,837
<b>Interest on other financial liabilities:</b>		
Interest on lease liabilities (IFRS 16)	12,493	15,987
<b>Total interest expense</b>	<b>24,363</b>	<b>27,824</b>

**YoYo Games Limited**

**Notes to the financial statements (continued)**

**for the year ended 31 December 2020**

**7 Taxation**

	2020 £	2019 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	16,502	(9,330)
Adjustments in respect of prior periods	(9,330)	1,081
<b>Total UK current tax</b>	<u>7,172</u>	<u>(8,249)</u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(56,505)	(100,815)
Adjustment in respect of prior periods	13,784	-
	<u>(42,721)</u>	<u>(100,815)</u>
<b>Total tax (credit)</b>	<u>(35,549)</u>	<u>(109,064)</u>

The charge for the year can be reconciled to the loss per the income statement as follows:

	2020 £	2019 £
Loss before taxation	<u>(29,311)</u>	<u>(619,201)</u>
Expected tax credit based on a corporation tax rate of 19% (2019: 19%)	(5,569)	(117,648)
Effect of expenses not deductible in determining taxable profit	-	(4)
Adjustment in respect of prior years	(9,330)	1,081
Other non-reversing timing differences	437	72,572
Deferred tax adjustments in respect of prior years	13,784	-
R&D expenditure credits	(34,871)	(65,065)
<b>Taxation credit for the year</b>	<u>(35,549)</u>	<u>(109,064)</u>

**YoYo Games Limited**

**Notes to the financial statements (continued)**

**for the year ended 31 December 2020**

**8 Intangible fixed assets**

	<b>Software Development Costs</b>		<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 31 December 2019	669,395	3,051,841	3,721,236
At 31 December 2020	669,395	3,051,841	3,721,236
<b>Amortisation and impairment</b>			
At 31 December 2019	669,395	2,370,900	3,040,295
Charge for the year	-	279,047	279,047
At 31 December 2020	669,395	2,649,947	3,319,342
<b>Carrying amount</b>			
At 31 December 2020	-	401,894	401,894
At 31 December 2019	-	680,941	680,941

The intangible development costs relate primarily to the Game Maker software and the directors best estimate of the product life cycle is 36 months and therefore the development costs are amortised on a straight line basis over this period from launch. The assets were subject to impairment review in a prior year under IAS36. The recoverable amount was based on value in use calculations.

**9 Property, plant and equipment**

	<b>Land and buildings Leasehold</b>	<b>Leasehold improvements</b>	<b>Fixtures &amp; fittings</b>	<b>Computer equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
At 31 December 2019	699,160	11,466	90,406	87,785	888,817
Additions	-	-	-	11,965	11,965
At 31 December 2020	699,160	11,466	90,406	99,750	900,782
<b>Accumulated depreciation and impairment</b>					
At 31 December 2019	398,594	3,825	83,319	63,036	548,774
Charge for the year	81,663	2,293	4,405	17,111	105,472
At 31 December 2020	480,257	6,118	87,724	80,147	654,246
<b>Carrying amount</b>					
At 31 December 2020	218,903	5,348	2,682	19,603	246,536
At 31 December 2019	300,566	7,641	7,087	24,749	340,043



**YoYo Games Limited****Notes to the financial statements (continued)****for the year ended 31 December 2020****10 Subsidiaries**

Details of the company's subsidiaries at 31 December 2020 are as follows:

<b>Name of undertaking</b>	<b>Registered office</b>	<b>Class of shares held</b>	<b>% Held</b>	<b>Direct Voting</b>
YoYo Games USA Inc	USA	Ordinary	100	100

The registered office of YoYo Games USA Inc is 257 Castro St Ste 104, Mountain View, CA 94041. The accounts of this subsidiary are not consolidated into the accounts of YoYo Games Limited on the basis it is small group and appropriate exemptions have been applied. The accounts of this subsidiary are incorporated into the accounts of the ultimate parent company Playtech Plc.

**11 Trade and other receivables**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade receivables	671	-
Corporation tax recoverable	-	33,353
Amounts owed by fellow group undertakings	-	34,682
Other receivables	21,774	28,442
Prepayments and accrued income	80,073	64,132
	<u>102,518</u>	<u>160,609</u>

**12 Borrowings**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Borrowings held at amortised cost:</b>		
Loans from fellow group undertakings	837,513	1,631,662
	<u>837,513</u>	<u>1,631,662</u>

**13 Trade and other payables**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade payables	22,565	4,541
Accruals and deferred income	97,353	114,116
Other payables	167	22,046
	<u>120,085</u>	<u>140,703</u>

**YoYo Games Limited****Notes to the financial statements (continued)****for the year ended 31 December 2020****14 Lease liabilities**

	2020	2019
	£	£
<b>Maturity analysis</b>		
Within one year	61,223	57,503
In two to five years	111,938	173,161
<b>Total undiscounted liabilities</b>	<b>173,161</b>	<b>230,664</b>

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2020	2019
	£	£
Current liabilities	61,223	57,503
Non-current liabilities	111,938	173,161
	<b>173,161</b>	<b>230,664</b>

	2020	2019
	£	£
Amounts recognised in profit or loss include the following:		
Interest on lease liabilities	12,493	15,987

The above leases relate to the rental of the companies office premises at River Court, 5 West Victoria Dock Road, Dundee, DD1 3JT. Under IFRS 16 these leases have been capitalised as finance leases as described in the accounting policies at note 1.15. The details of the right-of-use asset included within tangible fixed assets is shown below.

The average lease term is 8 years. The average effective borrowing rate for the year was 7.56%. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

YoYo Games Limited

Notes to the financial statements (continued)

for the year ended 31 December 2020

14 Lease liabilities (continued)

Right-of-use asset

	Office £	Total £
<b>Cost</b>		
At 31 December 2019	699,160	699,160
At 31 December 2020	669,160	669,160
<b>Accumulated depreciation and impairment</b>		
At 31 December 2019	398,594	398,594
Charge for the year	81,663	81,663
At 31 December 2020	480,257	480,257
<b>Carrying amount</b>		
At 31 December 2020	218,903	218,903
At 31 December 2019	300,566	300,566

Other leasing information is included in note 21.

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	ACAs £	IFRS 16 adoption £	Retention bonus £	Development costs £	Total £
Deferred tax liability at 1 January 2019	(5,094)	-	(964)	223,911	217,853
<b>Deferred tax movements in prior year</b>					
Credit to profit or loss	(1,242)	12,775	(943)	(111,405)	(100,815)
Deferred tax liability at 1 January 2020	(6,336)	12,775	(1,907)	112,506	117,038
<b>Deferred tax movements in current year</b>					
Credit to profit or loss	(5,715)	(2,767)	1,907	(36,146)	(42,721)
Deferred tax liability at 31 December 2020	(12,051)	10,008	-	76,360	74,317

Deferred tax assets and liabilities are offset in the financial statements only where the company has a legally enforceable right to do so.

**YoYo Games Limited**

**Notes to the financial statements (continued)**

**for the year ended 31 December 2020**

**16 Retirement benefit schemes**

**Defined contribution schemes**

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The total costs charged to income in respect of defined contribution plans is £127,386 (2019 - £114,638).

**18 Share capital**

	2020 Number	2019 Number	2020 £	2019 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of 0.1p each	2,200,000	2,200,000	2,200	2,200
Ordinary A shares of 0.1p each	188,000	188,000	188	188
	<u>2,388,000</u>	<u>2,388,000</u>	<u>2,388</u>	<u>2,388</u>

Each ordinary share carries one vote and is entitled to participate pari passu with other ordinary shares in any dividend or capital contribution.

Each ordinary A share carries one vote and is entitled to participate pari passu with other ordinary shares in any dividend or capital contribution.

Share capital represents the nominal value of share capital subscribed for.

**19 Share premium account**

	2020 £	2019 £
At the beginning and end of the year	<u>325,735</u>	<u>325,735</u>

The share premium account represents the amount subscribed for share capital in excess of the nominal value.

**20 Retained earnings**

Retained earnings represents all other net gains and losses and transactions with owners not recognised elsewhere.

**YoYo Games Limited**

**Notes to the financial statements (continued)**

**for the year ended 31 December 2020**

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**21 Other leasing information**

**Lessee**

The operating leases represent leases of minor office equipment from third parties. The leases are negotiated over terms of 3 years. There are no options in place for either party to extend the lease terms.

Amounts recognised in profit or loss as an expense during the period in respect of lease arrangements are as follows:

	2020 £	2019 £
Expense relating to leases of low-value assets	<u>2,120</u>	<u>2,546</u>

Set out below are the future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities:

	2020 £	2019 £
<b>Operating leases apart from land and buildings</b>		
Within one year	2,023	2,022
Between two and five years	<u>169</u>	<u>2,191</u>
	<u>2,192</u>	<u>4,213</u>

Information relating to lease liabilities is included in note 14.

**22 Events after the reporting date**

Subsequent to the year end on the 11 January 2021 the company was sold by the parent company, Playtech Services (Cyprus) Limited to Opera Norway AS, a company incorporated in Oslo, Norway. This change in ownership has been considered as part of the going concern assessment in note 1 and is deemed to have no material impact on the financial statements for the year ended 31 December 2020.

**23 Related party transactions**

An exemption, under FRS 101, from disclosing transactions with companies in the same group has been claimed.

No guarantees have been given or received.

**24 Directors' transactions**

No transactions took place with Directors during the current or prior year. Directors of the company are remunerated through the parent company.

**YoYo Games Limited**

**Notes to the financial statements (continued)**

**for the year ended 31 December 2020**

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**25 Controlling party**

The ultimate parent company during the year was Playtech Plc, a company incorporated in the Isle of Man. Playtech Plc is listed on the London Stock Exchange Main Market and copies of its consolidated financial statements may be obtained from the group's website ([www.playtech.com](http://www.playtech.com)). The smallest and largest group in which the company's results are consolidated is that headed by Playtech Plc.

Post year end, on 11 January 21 the company was acquired by Opera Norway AS, a company incorporated in Oslo, Norway. The ultimate parent company is Opera Limited, a company incorporated in the Cayman Islands. Opera Limited is listed on National Association of Securities Dealers Automated Quotations (NASDAQ).