

Registration number 07057499

Playground Games Limited
Directors' report and financial statements
for the year ended 31 December 2013

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Playground Games Limited

Company information

Directors	G Raeburn T R Williams N C Wheelwright R M Fulton
Company number	07057499
Registered office	1st Floor Rossmore House 9 Newbold Terrace Leamington Spa Warwickshire CV32 4EA
Auditors	Harben Barker Limited Drayton Court Drayton Road Solihull West Midlands B90 4NG
Bankers	HSBC 126 Parade Leamington Spa Warwickshire CV32 4BS

Playground Games Limited

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Playground Games Limited

Directors' report for the year ended 31 December 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

Principal activity and review of the business

The principal activity of the company is developing video game software.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of a final dividend.

Financial risk management objectives and policies

It is a primary objective and policy of the directors of the company to identify financial risks and investigate suitable procedures to minimise the perceived risk. In the video games software industry there is financial risk inherent in the costs incurred in producing software prior to sales. The directors have put in place safeguards to minimise the company's exposure to risk.

Directors

The directors who served during the year are as stated below:

G Raeburn
T R Williams
N C Wheelwright
R M Fulton

Statement of 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 year.

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

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

Playground Games Limited

**Directors' report
for the year ended 31 December 2013**

..... continued

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.

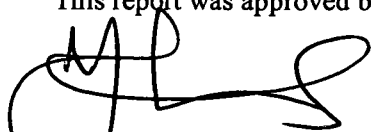
Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditors

Harben Barker Limited are deemed to be reappointed in accordance with an elective resolution made under Section 386(1) of the Companies Act 1985 which continues in force under the Companies Act 2006.

This report was approved by the Board on 4 August 2014 and signed on its behalf by



T R Williams
Director

Independent auditor's report to the shareholders of Playground Games Limited

We have audited the financial statements of Playground Games Limited for the year ended 31 December 2013 which comprise the profit and loss account, the balance sheet, the cash flow statement 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1 - 2, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on the 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 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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.

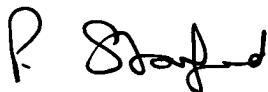
Matters on which we are required to report by exception

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 financial statements and the directors' report in accordance with the small companies regime.

**Independent auditor's report to the shareholders of
Playground Games Limited**

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Mr Paul Stanford (senior statutory auditor)
For and on behalf of Harben Barker Limited
Chartered Accountants and
Statutory Auditors
Drayton Court
Drayton Road
Solihull
West Midlands
B90 4NG

4 August 2014

Playground Games Limited

**Profit and loss account
for the year ended 31 December 2013**

		2013	2012
	Notes	£	£
Turnover	2	6,781,669	7,537,994
Cost of sales		(3,679,712)	(4,808,252)
Gross profit		3,101,957	2,729,742
Administrative expenses		(2,206,773)	(1,618,060)
Operating profit	3	895,184	1,111,682
Other interest receivable and similar income	5	4,842	3,133
Profit on ordinary activities before taxation		900,026	1,114,815
Tax on profit on ordinary activities	8	(123,846)	(265,672)
Profit for the year	14	776,180	849,143

The notes on pages 8 to 15 form an integral part of these financial statements.

Playground Games Limited

Balance sheet as at 31 December 2013

		2013		2012	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		295,733		328,028
Current assets					
Debtors	10	897,958		517,997	
Cash at bank and in hand		2,124,598		950,379	
		<u>3,022,556</u>		<u>1,468,376</u>	
Creditors: amounts falling due within one year	11	<u>(1,877,027)</u>		<u>(1,159,606)</u>	
Net current assets			<u>1,145,529</u>		<u>308,770</u>
Total assets less current liabilities			1,441,262		636,798
Creditors: amounts falling due after more than one year	12		<u>(28,284)</u>		<u>-</u>
Net assets			<u>1,412,978</u>		<u>636,798</u>
Capital and reserves					
Called up share capital	13		14,280		14,280
Profit and loss account	14		<u>1,398,698</u>		<u>622,518</u>
Shareholders' funds	15		<u>1,412,978</u>		<u>636,798</u>

These accounts were approved by the directors on 4 August 2014, and are signed on their behalf by:


T R Williams
Director

Registration number 07057499

The notes on pages 8 to 15 form an integral part of these financial statements.

Playground Games Limited

Cash flow statement for the year ended 31 December 2013

	2013		2012	
	£	£	£	£
Operating profit	895,184		1,111,682	
Reconciliation to cash generated from operations:				
Depreciation	368,196		279,037	
(Increase) in trade debtors	(254,755)		(407,245)	
(Increase) in other debtors	(125,206)		54,290	
Increase in trade creditors	112,076		(193,312)	
Increase in other creditors	775,562		(768,727)	
		1,771,057		75,725
Cash from other sources				
Interest received	4,736		3,133	
		4,736		3,133
Application of cash				
Tax paid	(265,673)		(208)	
Purchase of tangible fixed assets	(335,901)		(150,930)	
		(601,574)		(151,138)
Net increase in cash in the year		1,174,219		(72,280)
Cash at bank and in hand less overdrafts at beginning of year		950,379		1,022,659
Cash at bank and in hand less overdrafts at end of year		2,124,598		950,379
Consisting of:				
Cash at bank and in hand		2,124,598		950,379

Playground Games Limited

Notes to the financial statements for the year ended 31 December 2013

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention .

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year and derives from the provision of goods falling within the company's ordinary activities.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Leasehold properties	-	Straight line over the life of the lease
Fixtures, fittings and equipment	-	20% straight line
Computer equipment	-	33.3% straight line

1.4. Leasing

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

1.5. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings.

Playground Games Limited

Notes to the financial statements for the year ended 31 December 2013

..... continued

1.6. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Turnover

	2013	2012
Geographical market		
UK	-	-
Rest of the World	6,781,669	7,537,994
	<u>6,781,669</u>	<u>7,537,994</u>

3. Operating profit

	2013	2012
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	368,196	279,037
Auditors' remuneration (Note 4)	<u>4,500</u>	<u>5,000</u>

Playground Games Limited

**Notes to the financial statements
for the year ended 31 December 2013**

..... continued

4. Auditors' remuneration

	2013	2012
	£	£
Auditors' remuneration - audit of the financial statements	<u>4,500</u>	<u>5,000</u>

5. Interest receivable and similar income

	2013	2012
	£	£
Bank interest	4,594	2,996
Other interest	<u>248</u>	<u>137</u>
	<u>4,842</u>	<u>3,133</u>

6. Employees

Number of employees

The average monthly numbers of employees
(including the directors) during the year were:

2013	2012
<u>93</u>	<u>81</u>

Employment costs

	2013	2012
	£	£
Wages and salaries	3,789,033	3,375,236
Pension costs-other operating charge	<u>288,226</u>	<u>217,659</u>
	<u>4,077,259</u>	<u>3,592,895</u>

Playground Games Limited

Notes to the financial statements for the year ended 31 December 2013

..... continued

6.1. Directors' remuneration	2013	2012
	£	£
Remuneration and other emoluments	362,070	281,356
Pension contributions	11,323	5,988
	<u>373,393</u>	<u>287,344</u>
 Number of directors to whom retirement benefits are accruing under a money purchase scheme	 -	 -
 Highest paid director	 £	 £
Amounts included above:		
Emoluments and other benefits	<u>146,875</u>	<u>100,900</u>

7. Pension costs

The company operates a defined contribution pension scheme in respect of its employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £288,226 (2011: £217,659).

8. Tax on profit on ordinary activities

Analysis of charge in period	2013	2012
	£	£
Current tax		
UK corporation tax	205,911	265,672
Adjustments in respect of previous periods	(82,065)	-
	<u>123,846</u>	<u>265,672</u>

Playground Games Limited

Notes to the financial statements for the year ended 31 December 2013

..... continued

9. Tangible fixed assets	Short leasehold property £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost				
At 1 January 2013	80,182	52,228	727,148	859,558
Additions	69,774	31,367	234,760	335,901
At 31 December 2013	149,956	83,595	961,908	1,195,459
Depreciation				
At 1 January 2013	50,450	21,056	460,024	531,530
Charge for the year	49,154	16,720	302,322	368,196
At 31 December 2013	99,604	37,776	762,346	899,726
Net book values				
At 31 December 2013	50,352	45,819	199,562	295,733
At 31 December 2012	29,732	31,172	267,124	328,028

10. Debtors	2013 £	2012 £
Trade debtors	662,000	407,245
Other debtors	101,316	42,721
Prepayments and accrued income	134,642	68,031
	897,958	517,997

Playground Games Limited

**Notes to the financial statements
for the year ended 31 December 2013**

..... continued

11. Creditors: amounts falling due within one year	2013 £	2012 £
Trade creditors	211,888	99,812
Corporation tax	123,739	265,672
Other taxes and social security costs	116,569	77,095
Directors' accounts	-	375,720
Other creditors	44,729	39,548
Accruals and deferred income	1,380,102	301,759
	<u>1,877,027</u>	<u>1,159,606</u>
12. Creditors: amounts falling due after more than one year	2013 £	2012 £
Other creditors	<u>28,284</u>	<u>-</u>
13. Share capital	2013 £	2012 £
Allotted, called up and fully paid		
14,280 Ordinary shares of £1 each	<u>14,280</u>	<u>14,280</u>
Equity Shares		
14,280 Ordinary shares of £1 each	<u>14,280</u>	<u>14,280</u>
14. Reserves	Profit and loss account £	Total £
At 1 January 2013	622,518	622,518
Profit for the year	<u>776,180</u>	<u>776,180</u>
At 31 December 2013	<u>1,398,698</u>	<u>1,398,698</u>

Playground Games Limited

Notes to the financial statements for the year ended 31 December 2013

..... continued

15. Reconciliation of movements in shareholders' funds	2013	2012
	£	£
Profit for the year	776,180	849,143
Opening shareholders' funds	636,798	(212,345)
Closing shareholders' funds	<u>1,412,978</u>	<u>636,798</u>

16. Financial commitments

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

	2013	2012
	£	£
Expiry date:		
Within one year	6,329	-
Between one and five years	288,037	29,279
In over five years	-	137,000
	<u>294,366</u>	<u>166,279</u>

17. Transactions with directors

Advances to directors

The following directors had interest bearing loans during the year. The movements on these loans are as follows:

	Amount owing		Maximum
	2013	2012	in year
	£	£	£
G Raeburn	11,142	-	11,142
T R Williams	<u>600</u>	<u>-</u>	<u>600</u>

18. Controlling interest

The company is under the control of its directors.

Playground Games Limited

**Notes to the financial statements
for the year ended 31 December 2013**

..... continued

19. Post balance sheet events

On 4th July 2014 the company became a wholly owned subsidiary of Playground Games Holdings Limited, a company incorporated in England.