

Unaudited Financial Statements
for the Period 1 January 2019 to 31 March 2020
for
INNOV8 GAMING LIMITED

Malcolm Piper & Company Limited
Chartered Accountants
Kingsnorth House
Blenheim Way
Birmingham
West Midlands
B44 8LS

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for the Period 1 January 2019 to 31 March 2020**

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INNOV8 GAMING LIMITED

Company Information
for the Period 1 January 2019 to 31 March 2020

DIRECTORS:

C Beckley
A W Harris

REGISTERED OFFICE:

F25 Innovation Centre
1 Devon Way
Longbridge
Birmingham
B31 2TS

REGISTERED NUMBER:

10717040 (England and Wales)

ACCOUNTANTS:

Malcolm Piper & Company Limited
Chartered Accountants
Kingsnorth House
Blenheim Way
Birmingham
West Midlands
B44 8LS

INNOV8 GAMING LIMITED (REGISTERED NUMBER: 10717040)

Balance Sheet
31 March 2020

	Notes	2020 £	£	2018 £	£
FIXED ASSETS					
Intangible assets	4		1,122,792		426,344
Tangible assets	5		<u>20,497</u>		<u>22,838</u>
			1,143,289		449,182
CURRENT ASSETS					
Stocks		196,152		-	
Debtors	6	1,761,697		50,814	
Cash at bank		<u>274,445</u>		<u>-</u>	
		2,232,294		50,814	
CREDITORS					
Amounts falling due within one year	7	<u>670,367</u>		<u>1,148,552</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>1,561,927</u>		<u>(1,097,738)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,705,216		(648,556)
CREDITORS					
Amounts falling due after more than one year	8		(1,083,778)		-
PROVISIONS FOR LIABILITIES	11		-		(34,526)
NET ASSETS/(LIABILITIES)			<u>1,621,438</u>		<u>(683,082)</u>
CAPITAL AND RESERVES					
Called up share capital	12		101		100
Share premium	13		2,234,999		-
Retained earnings	13		<u>(613,662)</u>		<u>(683,182)</u>
SHAREHOLDERS' FUNDS			<u>1,621,438</u>		<u>(683,082)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 March 2020.

The members have not required the company to obtain an audit of its financial statements for the period ended 31 March 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

Balance Sheet - continued
31 March 2020

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

In accordance with Section 444 of the Companies Act 2006, the Profit and Loss Account has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 4 December 2020 and were signed on its behalf by:

A W Harris - Director

Notes to the Financial Statements
for the Period 1 January 2019 to 31 March 2020

1. STATUTORY INFORMATION

Innov8 Gaming Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Change in accounting reference date

The company has extended its accounting reference date to 31 March, hence its current financial statements are for a 15 month period ended 31 March 2020 while the comparative figures are for a year ended 31 December 2018. As such the comparative are not entirely comparable.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Internally-generated intangible assets - research & development expenditure

Expenditure on research and development activities not related to the internal generation of intangible assets is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from the company's software and infrastructure development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

1. the technical feasibility of completing the intangible asset so that it will be available for use or sale;
2. the intention to complete the intangible asset and use or sell it;
3. the ability to use or sell the intangible assets;
4. how the intangible asset will generate probable future economic benefits;
5. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
6. the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognised criteria listed above. Where no internally-generated intangible assets can be recognised, development expenditure is recognised in the profit and loss account in the period in which it is incurred. Subsequent to initial recognition, internally generated intangible assets are accounted at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are separately acquired.

Amortisation is provided on all intangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Software - 20% per annum

Residual value is calculated on prices prevailing at the date of acquisition or revaluation. Useful lives and residual values are reviewed at the end of every reporting period.

Assets under development relate to the capitalised development costs of the video system and games being developed. This software is not amortised until the development is launched.

Notes to the Financial Statements - continued
for the Period 1 January 2019 to 31 March 2020

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 20% on cost
Computer equipment	- 20% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Going concern

The financial statements have been prepared on a going concern basis, which places reliance on the continued support of the company's directors.

At the financial year-end, the company was part of a larger group but, as explained in the post-balance sheet events note to these financial statements, a management buy-out of the company from the group was completed in April 2020. During the period up to that transaction, the group undertakings provided advances to meet day-to-day trading expenses and operating costs.

Former group undertakings have signed contractual extended payment terms agreed with the company.

The directors have considered the current trading activities of the company and its cash flow for the next 12 months from the date of this report and are satisfied that the company's products and services, being those either already released and commercialised or those new products under current varying stages of development, are proving to be and will ultimately prove to be, in the case of development products, successful and cash generative.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the period was 17 (2018 - 9) .

**Notes to the Financial Statements - continued
for the Period 1 January 2019 to 31 March 2020**

4. INTANGIBLE FIXED ASSETS

	Assets under development £	Software £	Totals £
COST			
At 1 January 2019	412,001	20,474	432,475
Additions	325,255	616,579	941,834
Reclassification/transfer	(737,256)	737,256	-
At 31 March 2020	<u>-</u>	<u>1,374,309</u>	<u>1,374,309</u>
AMORTISATION			
At 1 January 2019	-	6,131	6,131
Amortisation for period	-	245,386	245,386
At 31 March 2020	<u>-</u>	<u>251,517</u>	<u>251,517</u>
NET BOOK VALUE			
At 31 March 2020	<u>-</u>	<u>1,122,792</u>	<u>1,122,792</u>
At 31 December 2018	<u>412,001</u>	<u>14,343</u>	<u>426,344</u>

The reclassification above represents a transfer of assets underdevelopment to software on the completion of the project in accordance with the accounting policy as detailed in note 2.

5. TANGIBLE FIXED ASSETS

	Machines £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2019	-	2,425	27,247	29,672
Additions	103,939	256	13,484	117,679
Disposals	(103,939)	-	-	(103,939)
At 31 March 2020	<u>-</u>	<u>2,681</u>	<u>40,731</u>	<u>43,412</u>
DEPRECIATION				
At 1 January 2019	-	225	6,609	6,834
Charge for period	6,799	1,170	14,911	22,880
Eliminated on disposal	(6,799)	-	-	(6,799)
At 31 March 2020	<u>-</u>	<u>1,395</u>	<u>21,520</u>	<u>22,915</u>
NET BOOK VALUE				
At 31 March 2020	<u>-</u>	<u>1,286</u>	<u>19,211</u>	<u>20,497</u>
At 31 December 2018	<u>-</u>	<u>2,200</u>	<u>20,638</u>	<u>22,838</u>

**Notes to the Financial Statements - continued
for the Period 1 January 2019 to 31 March 2020**

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2018
	£	£
Trade debtors	1,532,840	-
Amounts owed by group undertakings	-	27,297
Amounts owed by associates	202,138	-
Other debtors	26,719	23,517
	<u>1,761,697</u>	<u>50,814</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2018
	£	£
Bank loans and overdrafts	-	1,102,562
Trade creditors	14,000	10,722
Amounts owed to group undertakings	-	1,421
Amounts owed to associates	520,000	-
Taxation and social security	110,636	-
Other creditors	25,731	33,847
	<u>670,367</u>	<u>1,148,552</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2018
	£	£
Amounts owed to associates	483,778	-
Other creditors	600,000	-
	<u>1,083,778</u>	<u>-</u>

9. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2018
	£	£
Within one year	43,286	41,820
Between one and five years	28,998	82,841
	<u>72,284</u>	<u>124,661</u>

10. SECURED DEBTS

The following secured debts are included within creditors:

	2020	2018
	£	£
Bank overdraft	<u>-</u>	<u>1,102,562</u>

11. PROVISIONS FOR LIABILITIES

	2020	2018
	£	£
Deferred tax	<u>-</u>	<u>34,526</u>

**Notes to the Financial Statements - continued
for the Period 1 January 2019 to 31 March 2020**

11. PROVISIONS FOR LIABILITIES - continued

	Deferred tax
	£
Balance at 1 January 2019	34,526
Credit to Profit and Loss Account during period	(34,526)
Balance at 31 March 2020	-

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2020	2018
Number:	Class:		£	£
61	A Ordinary Shares	£1	61	60
40	B Ordinary Shares	£1	40	40
			101	100

1 A Ordinary Shares share of £1 was allotted as fully paid at a premium of £2,234,999 during the period.

13. RESERVES

	Retained earnings	Share premium	Totals
	£	£	£
At 1 January 2019	(683,182)	-	(683,182)
Profit for the period	69,520		69,520
Cash share issue	-	2,234,999	2,234,999
At 31 March 2020	(613,662)	2,234,999	1,621,337

14. **RELATED PARTY DISCLOSURES**

Gamestec Leisure Limited

Associated undertaking

During the period, Gamestec Leisure Limited paid wages and other expenses on behalf of Innov8 Gaming Limited which it subsequently recharged of £987,402 (2018 - £476,388). These transactions were all at arms length.. At the year end the amount due from Gamestec Leisure Limited to Innov8 Gaming Limited was £187,548 (2018 - £498 due to Gamestec Leisure Limited).

Playnation Limited

Associated undertaking

During the period, Innov8 Gaming Limited made sales of £31,500 (2018 - £nil) to Playnation Limited. These sales were at arms length. At the year end the amount due from Playnation Limited to Innov8 Gaming Limited was £14,590 (2018 - £nil).

Bell-Fruit Group Limited

Associated undertaking

During the period, Bell-Fruit Group Limited paid expenses on behalf of Innov8 Gaming Limited which it subsequently recharged of £85,782 (2018 - £128,988). These transactions were all at arms length under signed contractual payment terms agreed with the company. At the year end the amount due to Bell-Fruit Group Limited from Innov8 Gaming Limited was £1,003,778 (2018 - £nil).

Astra Games Limited

Associated undertaking

During the period, Astra Games Limited paid expenses on behalf of Innov8 Gaming Limited which it subsequently recharged of £40,903 (2018 - £62). These transactions were all at arms length. At the year end the amount due from Astra Games Limited to Innov8 Gaming Limited was £Nil (2018 - £27,297).

15. **POST BALANCE SHEET EVENTS**

In April 2020, the company's management completed a management buy-out of the balance of shares held by Inspired Gaming (UK) Limited giving the directors control over 100% of the company's share capital.

Chartered Accountants' Report to the Board of Directors
on the Unaudited Financial Statements of
Innov8 Gaming Limited

The following reproduces the text of the report prepared for the directors in respect of the company's annual unaudited financial statements. In accordance with the Companies Act 2006, the company is only required to file a Balance Sheet. Readers are cautioned that the Income Statement and certain other primary statements and the Report of the Directors are not required to be filed with the Registrar of Companies.

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Innov8 Gaming Limited for the period ended 31 March 2020 which comprise the Profit and Loss Account, Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed within the ICAEW's regulations and guidance at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of Innov8 Gaming Limited, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Innov8 Gaming Limited and state those matters that we have agreed to state to the Board of Directors of Innov8 Gaming Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Innov8 Gaming Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Innov8 Gaming Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Innov8 Gaming Limited. You consider that Innov8 Gaming Limited is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or a review of the financial statements of Innov8 Gaming Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Malcolm Piper & Company Limited
Chartered Accountants
Kingsnorth House
Blenheim Way
Birmingham
West Midlands
B44 8LS

4 December 2020

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.