

Company Registration No. 5425266 (England and Wales)

GAMING TECHNOLOGY SOLUTIONS LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015



GAMING TECHNOLOGY SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	A Ambrose D Phillips	(Appointed 2 January 2016)
Secretary	B Moore	
Company number	5425266	
Registered office	55 Baker Street London W1U 7EU	
Auditors	BDO LLP 55 Baker Street London W1U 7EU	
Business address	2nd Floor Waterfront House, Wherry Quay Ipswich Suffolk IP4 1AS	

GAMING TECHNOLOGY SOLUTIONS LIMITED

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GAMING TECHNOLOGY SOLUTIONS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present the strategic report and financial statements for the year ended 31 December 2015.

Review of the business

The principal risks and uncertainties of the company are very similar to those disclosed in the annual report of Playtech PLC for the year ended 31 December 2015.

The key financial performance indicators used by the Board to monitor the financial performance of the company and its results for 2015 are as follows:

Turnover increased from £13.8m to £17.4m, growth of 26%

Costs increased by 21% from £13m to £15.7m

Profit before tax increased to £1.7m compared to profit before tax in 2014 of £0.8m

The Board also uses non financial performance indicators such as headcount to ensure staff levels remain at the optimum level to maximise performance.

On behalf of the board



A Ambrose

Director

28/09/16.

GAMING TECHNOLOGY SOLUTIONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their annual report and financial statements for the year ended 31 December 2015.

Results and dividends

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

The directors do not recommend a final dividend for the year (2014 - £nil).

Directors

The directors, who served throughout the year except as noted, were as follows:

A Ambrose	
A Porter	(Resigned 2 January 2016)
C P J Ash	(Resigned 9 February 2015)
D Phillips	(Appointed 2 January 2016)

Financial instruments

Financial risk management

The company makes little use of financial instruments other than operational bank accounts. Hence its exposure to price, credit, counterparty and liquidity risks is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

Auditors

In accordance with the company's articles, a resolution proposing that BDO LLP be reappointed as auditors of the company will be put at a General Meeting.

Statement of directors' responsibilities

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

GAMING TECHNOLOGY SOLUTIONS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Statement of disclosure to auditors

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 / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board



A Ambrose

Director

..... 28/07/16

GAMING TECHNOLOGY SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GAMING TECHNOLOGY SOLUTIONS LIMITED

We have audited the financial statements of Gaming Technology Solutions Limited for the year ended 31 December 2015 which comprise the Income Statement, the Statement Of Financial Position, the Statement of Changes in Equity 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), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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

Respective responsibilities of directors and auditors

As explained more fully in the 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

GAMING TECHNOLOGY SOLUTIONS LIMITED

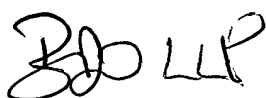
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GAMING TECHNOLOGY SOLUTIONS LIMITED

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.



Matthew White (Senior Statutory Auditor)
for and on behalf of BDO LLP, statutory auditor
London
United Kingdom

28 September 2016

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

GAMING TECHNOLOGY SOLUTIONS LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Revenue	2	17,393,358	13,774,815
Gross profit		<u>17,393,358</u>	<u>13,774,815</u>
Administrative expenses		(15,735,587)	(12,955,726)
Operating profit	3	<u>1,657,771</u>	<u>819,089</u>
Tax on profit on ordinary activities	6	(443,500)	(285,014)
Profit for the financial year		<u>1,214,271</u>	<u>534,075</u>
Total comprehensive income for the year		<u><u>1,214,271</u></u>	<u><u>534,075</u></u>

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

GAMING TECHNOLOGY SOLUTIONS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

		31 December 2015 £	31 December 2014 £
	Notes		
Fixed assets			
Intangible assets	7	3,061	3,411
Property, plant and equipment	8	2,152,533	1,857,981
Investments	9	2,127,125	2,127,125
		<u>4,282,719</u>	<u>3,988,517</u>
Current assets			
Trade and other receivables	10	28,673,226	18,537,624
Cash at bank and in hand		899,915	811,852
		<u>29,573,141</u>	<u>19,349,476</u>
Creditors: amounts falling due within one year			
Trade creditors and other payables	11	26,825,612	18,297,764
Taxation and social security		1,185,184	460,159
		<u>28,010,796</u>	<u>18,757,923</u>
Net current assets		<u>1,562,345</u>	<u>591,553</u>
Total assets less current liabilities		<u>5,845,064</u>	<u>4,580,070</u>
Net assets		<u>5,845,064</u>	<u>4,580,070</u>
Capital and reserves			
Called up share capital	14	2,250,005	2,250,005
Share premium account		130,273	130,273
Other reserves		437,742	387,019
Profit and loss account		3,027,044	1,812,773
Total equity		<u>5,845,064</u>	<u>4,580,070</u>

GAMING TECHNOLOGY SOLUTIONS LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2015

The financial statements were approved by the Board of directors and authorised for issue on 28/09/16
Signed on its behalf by:



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A Ambrose
Director

Company Registration No. 5425266

GAMING TECHNOLOGY SOLUTIONS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Share capital £	Share premium account £	Capital contribution reserve £	Profit and loss account £	Total £
Balance at 1 January 2014	2,250,005	130,273	387,019	1,278,698	4,045,995
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Profit for the year	-	-	-	534,075	534,075
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	-	534,075	534,075
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2014	2,250,005	130,273	387,019	1,812,773	4,580,070
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Profit for the year	-	-	-	1,214,271	1,214,271
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	-	1,214,271	1,214,271
Share based payment transactions	-	-	50,723	-	50,723
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2015	2,250,005	130,273	437,742	3,027,044	5,845,064
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

GAMING TECHNOLOGY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

1.1 First time application of FRS 101

In the current year the company has early adopted FRS 100 and FRS 101. In previous years the financial statements were prepared in accordance with International Financial Reporting Standards (IFRSs) as endorsed for use in the European Union.

This change in the basis of preparation has not materially altered the recognition and measurement requirements previously applied in accordance with EU endorsed IFRS. Consequently the principal accounting policies are unchanged from the prior year. The change in basis of preparation has enabled the company to take advantage of all of the available disclosure exemptions permitted by FRS 101 in the financial statements, the most significant of which are summarised below. There have been no other material amendments to the disclosure requirements previously applied in accordance with EU endorsed IFRS.

1.2 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 have been prepared on the historical cost basis. 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 paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations. Equivalent disclosures are included in the consolidated financial statements of Playtech PLC in which the entity is consolidated;
- the requirements of paragraph 33 (c) of IFRS 5 Non current Assets Held for Sale and Discontinued Operations;
- 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 paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- 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 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 and discontinued operations.

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 as set out in note 18.

GAMING TECHNOLOGY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Gaming Technology Solutions Limited is a wholly owned subsidiary of Playtech PLC and the results of Gaming Technology Solutions Limited are included in the consolidated financial statements of Playtech PLC which are available from the group's website (www.playtech.com).

1.3 Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Investments in associates and subsidiaries

Investments in subsidiaries are all held at cost in the separate financial statements of the company

1.6 Property, plant and equipment

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 length of the lease
Fixtures, fittings & equipment	20% straight line
Computer equipment	33 1/3% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

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.

GAMING TECHNOLOGY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

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 in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The company is exempt under FRS 101 from the disclosure requirements of IFRS 13. There was no impact on the company from the adoption of IFRS 13.

1.9 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.

1.10 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. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

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.

GAMING TECHNOLOGY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Impairment of financial assets

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows 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.

1.11 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

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

1.12 Equity instruments

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

1.13 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.

GAMING TECHNOLOGY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

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.

1.14 Employee benefits

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

1.15 Share-based payments

Certain employees participate in the ultimate parent company's share option plan. The fair value of the options granted is charged to the profit and loss account over the vesting period and the credit is taken to reserves, based on the Company's estimate of shares that will eventually vest. Fair value is determined by the Black-Scholes valuation model. The share options plan does not have any performance conditions other than continued service.

1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

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

1.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

GAMING TECHNOLOGY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

2 Revenue

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

	2015 £	2014 £
Software development	17,393,358	13,774,815
	<u>17,393,358</u>	<u>13,774,815</u>

Geographical market

	Turnover 2015 £	2014 £
European Union	<u>17,393,358</u>	<u>13,774,815</u>

3 Profit for the year

Profit for the year is stated after charging/(crediting):

	2015 £	2014 £
Fees payable to the company's auditors for the audit of the company's financial statements	11,364	9,600
Depreciation of property, plant and equipment	542,887	358,811
Amortisation of intangible assets	350	3,298
Staff costs	<u>12,172,197</u>	<u>10,013,918</u>

4 Auditors' remuneration

The analysis of auditor's remuneration is as follows:

	2015 £	2014 £
Fees payable to the company's auditors for the audit of the company's annual accounts	<u>11,364</u>	<u>7,100</u>
Tax services	<u>2,500</u>	<u>2,500</u>

GAMING TECHNOLOGY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

5 Employees

The average monthly number of employees (including directors) were:

	2015 Number	2014 Number
Management	8	9
Operations	13	13
Marketing	29	25
Development	101	75
Administration	16	17
	<hr/> 167	<hr/> 139
	<hr/>	<hr/>

Their aggregate remuneration comprised:

Employment costs	2015 £	2014 £
Wages and salaries	10,658,938	8,777,992
Social security costs	1,144,685	960,515
Pension costs	368,574	275,411
	<hr/> 12,172,197	<hr/> 10,013,918
	<hr/>	<hr/>

During the year, no director received any remuneration (2014: £19,287).

GAMING TECHNOLOGY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

6 Income tax expense

	Continuing operations	
	2015	2014
	£	£
Corporation tax		
Current year	443,500	285,014

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

	2015	2014
	£	£
Profit before taxation on continued operations	1,657,771	819,089
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.25% (2014 - 21.49%)	335,699	176,022
Taxation impact of factors affecting tax charge:		
Expenses not deductible in determining taxable profit	118,459	151,177
Depreciation in excess of capital allowances	(26,730)	(33,350)
Other short term timing differences	16,072	(8,835)
Total adjustments	107,801	108,992
Tax charge for the year	443,500	285,014

7 Intangible fixed assets

	Intellectual property rights	Trademarks	Total
	£	£	£
Cost			
At 31 December 2014	3,500	12,930	16,430
At 31 December 2015	3,500	12,930	16,430
Amortisation/impairment			
At 31 December 2014	3,500	9,519	13,019
Charge for the year	-	350	350
At 31 December 2015	3,500	9,869	13,369
Carrying amount			
At 31 December 2015	-	3,061	3,061
At 31 December 2014	-	3,411	3,411

GAMING TECHNOLOGY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

8 Property, plant and equipment

	Land and buildings leasehold	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£
Cost				
At 31 December 2014	1,356,037	459,292	1,792,228	3,607,557
Additions	447,930	64,320	325,189	837,439
At 31 December 2015	1,803,967	523,612	2,117,417	4,444,996
Accumulated depreciation/impairment				
At 31 December 2014	181,719	239,570	1,328,287	1,749,576
Charge for the year	167,729	58,658	316,500	542,887
At 31 December 2015	349,448	298,228	1,644,787	2,292,463
Carrying amount				
At 31 December 2015	1,454,519	225,384	472,630	2,152,533
At 31 December 2014	1,174,318	219,722	463,941	1,857,981

9 Investments

	Non-current 2015 £	2014 £
Investments in subsidiaries	2,127,125	2,127,125

The company has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

Fair value of financial assets carried at amortised cost

Except as detailed below the directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

GAMING TECHNOLOGY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

9 Investments (Continued)

Movements in non-current investments

	Shares £
Cost or valuation	
At 1 January 2015 & 31 December 2015	2,127,125
Carrying amount	
At 31 December 2015	2,127,125
At 31 December 2014	2,127,125

10 Trade and other receivables

	2015 £	2014 £
Trade receivables	67,085	2,118
Other receivables	291,499	103,191
Amount due from parent undertaking	851,938	126,867
Amounts due from fellow group undertakings	27,145,158	18,058,113
Prepayments	317,546	247,335
	<u>28,673,226</u>	<u>18,537,624</u>

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

11 Trade and other payables

	Current 2015 £	2014 £
Trade payables	144,990	64,040
Amount due to parent undertaking	24,796,682	16,024,360
Amounts due to fellow group undertakings	1,194,522	1,616,784
Accruals	531,270	530,938
Other payables	158,148	61,642
	<u>26,825,612</u>	<u>18,297,764</u>

12 Retirement benefit schemes

Defined contribution schemes

The total costs charged to income in respect of defined contribution plans is £368,574 (2014 - £275,411). At the year-end, a balance of £123,495 (2014: £31,466) was owed by the company.

GAMING TECHNOLOGY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

13 Share-based payment transactions

The ultimate parent company operates a Company Share Option Plan ("CSOP") for certain employees of the Company. Options granted under the Plan vest on the first day on which they become exercisable which is three years after grant date. Further details on the terms of this scheme are discussed in more detail in the Group annual report.

	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
	2015	2015 £	2014	2014 £
Outstanding at 1 January 2015	14,722	4.16	44,371	4.16
Forfeited during the year	-	-	(1,869)	4.16
Exercised during the year	-	-	(27,780)	4.16
Outstanding at 31 December 2015	<u>14,722</u>	<u>4.16</u>	<u>14,722</u>	<u>4.16</u>

The exercise price of options outstanding at the end of the year was £4.16 (2014 - £4.16) and their weighted average contractual life was 3 years (2014 - 3 years). All of the options outstanding at the end of the year had vested and were exercisable at the end of the year (2014 - all).

The weighted average share price (at the date of exercise) of options granted during the year was £nil (2014 - £nil). The weighted average fair value of each option granted during the year was £nil (2014 - £nil).

The following information is relevant in the determination of the fair value of options granted during the previous year under the equity share based remuneration schemes operated by the ultimate parent company:

	2011
Options pricing model used	Black-Scholes
Weighted average share price at grant date	£3.44
Exercise price	£3.44
Weighted average contractual life (years)	3
Expected volatility	49.8%
Expected dividend growth rate	2.76%
Risk free interest rate	<u>2.15%</u>

GAMING TECHNOLOGY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

13 Share-based payment transactions

(Continued)

The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of daily share prices over a period starting from the initial date of flotation through to the grant date.

The share-based remuneration expense comprises:

	2015 £	2014 £
Equity-settled scheme	50,723	-

14 Share capital

	2015 £	2014 £
Ordinary share capital		
Authorised		
200,000,000 Ordinary shares of 5p each	10,000,000	10,000,000
Issued and fully paid		
45,000,093 Ordinary shares of 5p each	2,250,005	2,250,005

15 Contingent liabilities

The company together with its wholly owned subsidiaries, has given a guarantee in respect of bank borrowings which amounted to £30,000 at 31 December 2015 (2014: £30,000).

GAMING TECHNOLOGY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

16 Operating leases commitments

Lessee

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

	2015	2014
	£	£
Minimum lease payments under operating leases	739,168	781,781

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

	Land and buildings	
	2015	2014
	£	£
Between two and five years	179,167	229,167
In over five years	5,347,875	6,235,136
	5,527,042	6,464,303

17 Related party transactions

Other transactions with related parties

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

In 2012, the company entered into an operating lease agreement with Anise Development Limited. The lease included a capital contribution from the landlord towards fit out costs, and these totalled £311,531. The costs have been capitalised as part of tangible fixed assets and accounted for as a lease incentive, with the benefit being recognised in the profit and loss account over the period to the first rent review. During 2014 a further lease agreement was entered into with Anise Development Limited in order to expand the existing premises occupied by the company. A rent charge of £739,168 (2014 - £781,781) has been recognised in the profit and loss account for the year in respect of this lease. Anise Development Limited is related to the company by virtue of a common significant shareholder of Playtech PLC, the company's ultimate parent company.

No guarantees have been given or received.

18 Controlling party

The immediate parent company is Technology Trading (IOM) Limited, a company incorporated in the Isle of Man. The ultimate parent company is 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). The smallest and largest group in which the company's results are consolidated is that headed by Playtech PLC.

GAMING TECHNOLOGY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

19 Subsidiaries

These financial statements are separate company financial statements for Gaming Technology Solutions Limited.

Details of the company's subsidiaries at 31 December 2015 are as follows:

	Country of incorporation (or residence)	Proportion of ownership interest (%)	Proportion of voting power held (%)	Nature of business
V S Gaming Limited	England	100.00%	100.00%	Software development of internet games
VS Technology Limited	England	100.00%	100.00%	Development of software platform

On 1 January 2016 the Company hived up the operations of all its subsidiaries into Gaming Technology Solutions Limited, with the subsidiaries becoming non trading from this point.