

Win Technologies (UK) Limited

Report and Financial Statements

Year Ended

31 December 2016

Company Number 05771461



Win Technologies (UK) Limited

Report and financial statements for the year ended 31 December 2016

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Directors

N Menashe
G Menashe
B Susskind
T Whyles

Secretary and registered office

N Menashe, Hyde House, The Hyde, Edgware Road, London, NW9 6LA

Company number

05771461

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Win Technologies (UK) Limited

Strategic report for the year ended 31 December 2016

The directors hereby present the strategic report for Win Technologies (UK) Limited for the year ending 31 December 2016, in accordance with the Companies Act 2006 (strategic report and directors' report) Regulations 2013.

Principal activities

The principal activities of the company are the provision of operational and marketing support services.

Nature of the business

On the operational side, the core areas of expertise focus on IT and player support services, data processing, game collusion management, security solutions and integrity checks. Win Technologies also provides anti-money laundering, KYC and responsible gaming services.

On the marketing side, the core areas of expertise include, but are not limited to, search engine optimisation, digital marketing solutions, affiliate marketing management, tailored web design, and customer retention support services.

Developments, performance and position

The Board was satisfied with the performance of the company during the year ending 31 December 2016, during which the company earned gross revenue of £ 32,993,534 (2015: £18,838,860).

As at 31 December 2016, the company had net assets of £ 6,589,742 (2015: £5,525,336). The Board noted that no material developments had occurred in the company's business during the course of the year ending 31 December 2016.

Principal risks and uncertainties

The company's main agreements with its customers may be terminated by either party for convenience by 6 months' prior written notice.

As a service provider, the company seeks to manage its business risks contractually by ensuring that its liability to each customer is limited to the amount of fees received by the company from such customer, and by obtaining undertakings from its customers to indemnify the company for any liability arising in connection with services provided to such customers.

Key performance indicators

The core key performance indicators were stable during 2016.

During the financial year Gross Profit increased by 76.30% (2015: 11.06% increase) while profit after tax on ordinary activities decreased by 47.71% (2015: 35.50% decrease). This is due to the change in the company's strategy of focussing more on IT and player support services to its clients than online marketing services. While this is leading to lower revenue in the short term as the capital infrastructure is only recovered on a depreciation recharge basis, management is of the opinion that this will lead to far better growth opportunities for the company in the long run.

The company continues to maintain a positive liquidity ratio.

Win Technologies (UK) Limited

Strategic report for the year ended 31 December 2016 (continued)

Financial risk management objectives and policies

The company has minimal exposure to credit risk as there are no external loans that could be defaulted on.

All its revenue is invoiced in its primary currency and the majority of its vendors are payable in the same currency. The company has no major amount receivable or payable in foreign currency.

As no material interest accruing debt or assets, the directors are also of the opinion that the company's exposure to interest risk are at a minimum.

To assess liquidity risk, the directors review a monthly 12 month rolling cash flow projection. This is based on budgeted cost, both current and capital, and contracted profit margins with customers. Based on the monthly cash flow requirement determined by this initial invoices will be made to customers to ensure enough liquidity is maintained to cover outflows in the given period.

Board approval

The Board considers that this strategic report provides a fair, balanced and comprehensive account of the matters stated herein.

Approval

This strategic report was approved by order of the Board on 29/9/17

N Menashe

Director



Win Technologies (UK) Limited

Report of the directors for the year ended 31 December 2016

The directors present their report together with the audited financial statements for the year ended 31 December 2016.

Results and dividends

The profit and loss account is set out on page 7 and shows the profit for the year.

The directors have not recommended a dividend (2015: £Nil).

Principal activities

The principal activities of the company are the provision of operational and marketing support services.

Charitable contributions

During the year the company made charitable contributions of £ 13,144 (2015: £18,124).

Directors

The directors of the company during the year were:

N Menashe
G Menashe
B Susskind
T Whyles

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas. Employees participate directly in the success of the business through the company's profit sharing schemes and are encouraged to invest in the company through participation in share option schemes.

Win Technologies (UK) Limited

Report of the directors for the year ended 31 December 2016 (*continued*)

The following details are disclosed within the strategic report:

- The company's principal activities
- The company's developments, performance and position
- The company's principal risks and uncertainties
- The company's key performance indicators
- The company's financial risk management objectives and policies

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

By order of the Board

N Menashe



Secretary

Date

29/9/17

Win Technologies (UK) Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WIN TECHNOLOGIES (UK) LIMITED

We have audited the financial statements of Win Technologies (UK) Limited for the year ended 31 December 2016 which comprise the income statement, the balance sheet, 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).

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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

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 2016 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 matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Win Technologies (UK) Limited

Independent auditor's report (*continued*)

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 strategic report or 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.

BDO LLP

John Barker (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London

Date

29th September 2017

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

Win Technologies (UK) Limited

Income statement for the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	3	32,993,534	18,838,860
Cost of sales		(431,478)	(368,745)
Gross profit		32,562,056	18,470,115
Administrative expenses		(31,027,185)	(17,488,500)
Operating profit	6	1,534,871	981,615
Interest receivable		1	58,653
Interest payable		-	(20)
Profit on ordinary activities before taxation		1,534,872	1,040,248
Taxation on profit from ordinary activities	7	(470,466)	(319,656)
Profit after taxation for the financial year		1,064,406	720,592
Other comprehensive income for the year		-	-
Total comprehensive income for the year		1,064,406	720,592

All amounts relate to continuing activities.

The notes on pages 10 to 18 form part of these financial statements.

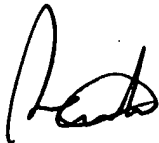
Win Technologies (UK) Limited

Balance sheet at 31 December 2016

<i>Company number 05771461</i>	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	8		3,003,350		3,175,691
Current assets					
Debtors	9	18,118,731		5,065,228	
Cash at bank and in hand		668,527		258,356	
		<u>18,787,258</u>		<u>5,323,584</u>	
Creditors: amounts falling due within one year	10	15,200,866		2,973,939	
Net current assets			<u>3,586,392</u>		<u>2,349,645</u>
Total assets less current liabilities			<u>6,589,742</u>		<u>5,525,336</u>
Capital and reserves					
Called up equity share capital	13		1,000		1,000
Profit and loss account			6,588,742		5,524,336
Shareholders' funds			<u>6,589,742</u>		<u>5,525,336</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29/1/17

N Menashe
Director



The notes on pages 10 to 18 form part of these financial statements.

Win Technologies (UK) Limited

Statement of changes in equity at 31 December 2016

	Share capital £	Profit and loss account £	Total equity £
1 January 2016	1,000	5,524,336	5,525,336
Comprehensive income for the year			
Profit for the year		1,064,406	1,064,406
Total comprehensive income for the year	-	1,064,406	1,064,406
31 December 2016	1,000	6,588,742	6,589,742
1 January 2015	1,000	4,803,744	4,804,744
Comprehensive income for the year			
Profit for the year	-	720,592	720,592
Total comprehensive income for the year	-	720,592	720,592
31 December 2015	1,000	5,524,336	5,525,336

The notes on pages 10 to 18 form part of these financial statements.

Win Technologies (UK) Limited

Notes forming part of the financial statements for the year ended 31 December 2016

1 Accounting policies

Win Technologies (UK) Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires company management to exercise judgement in applying the company's accounting policies.

Parent company disclosure exemptions

In preparing the financial statements, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the company;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the company as their remuneration is included in the totals of the company as a whole.

The following principal accounting policies have been applied:

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold property	-	Straight line over the period of the lease
Office Equipment	-	2 - 10 years straight line
Fixtures and fittings	-	10 years straight line
Computer hardware and software	-	2- 3 years straight line

Win Technologies (UK) Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (*continued*)

1 Accounting policies (*continued*)

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

Contributions to the groups defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

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.
- 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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Reserves

The company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Profit and loss account represents the cumulative profits and losses, net of dividends paid and other adjustments.

Win Technologies (UK) Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

2 Judgements and estimates

In preparing these financial statements, the directors have not made any critical judgements that have a significant effect on the amounts recognised in the financial statements, except for:

- Determining whether there are indicators of impairment of amounts owed by group undertakings.
- Determining whether there are indicators of impairment of tangible assets.

Factors taken into consideration in reaching such a decision include the assessment of the economic viability of group companies and the assets being used in the company.

Other key sources of estimation uncertainty

- *Accruals (see note 10)*

Management closely review the outstanding creditor balances for completeness, to ensure that all costs associated with revenue generation of the company have been captured and recorded. Specific accruals are recognised based on management's best estimate at the balance sheet date.

- *Tangible fixed assets (see note 8)*

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives and residual values are assessed on an annual basis and take into account physical condition and maintenance, intended use, expected remaining life and any projected disposal proceeds.

3 Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

All analysis of turnover is given below:

	2016 £	2015 £
United Kingdom	32,993,534	18,838,860

4 Employees

	2016 £	2015 £
Staff costs consist of:		
Wages and salaries	18,770,965	10,403,791
Social security costs	2,148,923	1,180,705
Pension cost	386,137	82,160
	21,306,025	11,666,656

The average number of employees during the year was:

	Number	Number
Directors and administration	32	33
Operations	342	200
	374	233

Win Technologies (UK) Limited

Notes forming part of the financial statements
for the year ended 31 December 2016 (*continued*)

5 Directors

The directors' aggregate remuneration in respect of qualifying services were:

	2016 £	2015 £
Remuneration receivable	662,320	619,856

Emoluments of the highest paid director were £ 188,245 (2015: £ 150,649).

6 Operating profit

	2016 £	2015 £
This has been arrived at after charging:		
Depreciation of owned fixed assets	2,014,701	1,115,047
Auditors' remuneration - as auditor	25,000	15,000
Operating lease costs - other	2,038,751	1,004,367
Net loss on foreign currency translation	18,677	20,850

7 Taxation on profit from ordinary activities

(a) Analysis of charge in the year	2016 £	2015 £
<i>Current tax</i>		
UK corporation tax on profits of the year	547,327	249,980
Adjustments in respect of prior periods	(4,005)	(25,882)
Total current tax	543,322	224,098
<i>Deferred tax</i>		
Origination and reversal of timing differences	(38,297)	46,465
Adjustments in respect of prior periods	(39,347)	38,726
Effect on tax rate change on opening balance	4,788	10,367
Taxation on profit on ordinary activities	470,466	319,656

Win Technologies (UK) Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

7 Taxation on profit from ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	1,534,872	1,040,248
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20.00 % (2015: 20.25%)	307,776	215,550
Effects of:		
Fixed asset differences	41,924	-
Expenses not deductible for tax purposes	577	86,857
Depreciation in excess of capital allowances	151,996	-
Marginal relief	-	(163)
Adjustments to tax charge in respect of previous periods	(4,005)	(25,882)
Adjustments to tax charge in respect of previous periods - deferred tax	(39,347)	38,726
Adjust closing deferred tax to average rate of 20.00 %	21,123	5,846
Adjust opening deferred tax to average rate of 20.00 %	(9,577)	(1,278)
Rounding	(1)	-
Total tax charge for year (note 7(a))	470,466	319,656

Win Technologies (UK) Limited

Notes forming part of the financial statements
for the year ended 31 December 2016 (*continued*)

8 Tangible assets

	Leasehold property £	Fixtures and fittings £	Office equipment £	Computer hardware and software £	Total £
<i>Cost</i>					
At 1 January 2016	1,781,422	632,049	519,426	3,318,054	6,250,951
Transfers	-	-	-	-	-
Additions	232,502	196,737	86,551	1,509,692	2,025,482
Disposals	(153,373)	(58,304)	(59,139)	(21,151)	(291,967)
At 31 December 2016	1,860,551	770,482	546,838	4,806,595	7,984,466
<i>Depreciation</i>					
At 1 January 2016	411,058	293,811	359,397	2,010,994	3,075,260
Charge for the year	311,833	102,097	69,578	1,531,193	2,014,701
Disposals	(22,802)	(32,870)	(40,063)	(13,110)	(108,845)
At 31 December 2016	700,089	363,038	388,912	3,529,077	4,981,116
<i>Net book value</i>					
At 31 December 2016	1,160,462	407,444	157,926	1,277,518	3,003,350
At 31 December 2015	1,370,364	338,238	160,029	1,307,060	3,175,691

Win Technologies (UK) Limited

Notes forming part of the financial statements
for the year ended 31 December 2016 (continued)

9 Debtors

	2016	2015
	£	£
Trade debtors	-	57,331
Other debtors	1,145,585	1,202,408
Prepayments and accrued income	1,745,541	829,433
Corporation tax	-	155,902
Deferred taxation (note 11)	119,698	46,841
Amounts owed by group undertakings	14,766,550	2,102,592
Other taxation and social security	341,358	670,721
	<u>18,118,731</u>	<u>5,065,228</u>

10 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	445,652	530,387
Amounts owed to group undertakings	11,424,574	11,744
Corporation tax	267,983	-
Other taxation and social security	1,609,081	783,329
Other creditors	1,200,087	1,511,407
Accruals and deferred income	253,489	137,072
	<u>15,200,866</u>	<u>2,973,939</u>

Included within Other creditors is a balance relating to the Rent free accrual for £945,692 which is a creditor falling due in greater than one year.

Win Technologies (UK) Limited

Notes forming part of the financial statements
for the year ended 31 December 2016 (continued)

11 Deferred taxation

The deferred tax included in the Balance sheet is as follows:

	2016 £	2015 £
Included in debtors (note 9)	119,698	46,841

The movement in the deferred taxation account during the year was:

Balance brought forward	46,841	142,400
Profit and loss account movement arising during the year	72,857	(95,559)
Balance carried forward	119,698	46,841

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2016 £	2015 £
Excess of depreciation over taxation allowances	119,698	42,324
Short term timing differences	-	4,517

12 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2016 £	Land and buildings 2015 £
Operating leases which expire:		
Not later than one year	1,645,449	1,057,467
Later than one year and not later than five years	6,586,304	6,586,304
Later than five years	6,000,254	7,645,703

13 Share capital

	2016 Number	2015 Number	Allotted, called up and fully paid 2016 £	2015 £
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

Win Technologies (UK) Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

14 Pension commitments

The company participates in a defined contribution pension scheme. The assets of the scheme are held separately from those of the company, in an independently administered fund.

Contributions to the scheme are charged to the profit and loss account as they become payable in accordance with the scheme's rules.

During the year £ 386,137 (2015:£82,160) was charged to the profit and loss account in respect of contributions payable. There were no amounts outstanding at 31 December 2016 in respect of payment to the pension scheme £Nil (2015: £Nil).

15 Related party transactions

At year end amounts owed by directors to the company are £40,109 (2015: £122,144).

The company is a wholly owned subsidiary of The Betway Group Limited and has taken advantage of the exemption conferred by FRS 102 not to disclose transactions with The Betway Group Limited or wholly owned subsidiaries within the group.

16 Ultimate parent company

The accounts are consolidated within the financial statements of their parent company Betway Group Limited, a company incorporated in the British Virgin Islands with registered address of Palm Chambers, 197 Main Street, P.O. Box 3174, Road Town, Tortola, British Virgin Islands. The consolidated financial statements of Betway Group are publically available at the registered offices.

In the opinion of the directors there is no one ultimate controlling party.