Company Registration No. 08807827 (England and Wales)

GANAPATI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2018

GANAPATI PLC

COMPANY INFORMATION

Directors	Mr A Drury	
	Mr Y Ishihara	
	Mr H Hasegawa	
	Mr T Sawada	
	Mr T Nakajima	(Appointed 12 September 2017)
	Mr H Terai	(Appointed 7 November 2017)
Secretary	Mr M Hudson	
Company number	08807827	
Registered office	6-8 Standard Place Rivington Street London EC2A 3BE	
Auditors	Welbeck Associates 30 Percy Street London W1T 2DB	

GANAPATI PLC

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STRATEGIC REPORT

FOR THE YEAR ENDED 31 JANUARY 2018

The directors present the strategic report for the year ended 31 January 2018.

Fair review of the business
A review of the business is contained in the Chairman's Statement

Chairman's Statement
I am pleased to announce the financial results for the year ended 31 January 2018 for GANAPATI PLC ("Ganapati" or "the Company"). Although the period has been punctuated with frustrating commercial delays in the release of our games, the year has, nevertheless, been one of significant consolidation, staff recruitment and management competence.

The basic strategic direction of the Company remains unchanged. It includes the development of software ("Apps) for the social media and consumer games markets: BUZZ POP, a free app for communications involving video messaging, Zapppi, an instant billboard commentary service and MY list, a curation service for the building up of lists. Your Directors continue to believe in the profitable potential of these products.

The entertainment sector globally is continuing to attract increasing attention from operators and Ganapati, with its Japanese imagery, animation and technology, is expecting to play an increasing part in the expected expansion. It will achieve this by creating a branded product range for the iGaming industry in Europe.

This involves working through third parties for licensing purposes including the participation of the Malta Gaming Authority ("MGA"). Revenues are generated from bets placed through its games with the revenues being shares with the licensed company and aggregators through whom the bets are placed.

The Ganapati Group is as follows:

Ganapati (Malta) Limited
GANAPATI NEO OU
GANAPATI NEO SRL
GANAPATI ENTERTAINMENT INC.
GPJ Venture Capital LLC (86.25%)
GANAPATI APPS Limited (20.5%)

Financial Review
The results for the twelve months period ending 31 January 2018 include a loss of £14,238,296 (2017: (£9,446,721)) on turnover of £2,947,724 (2017: £3,269,908). Total assets are £15,867,726 (2017: £17,270,415) and cash at bank totalled £1,311,230 (2017: £2,376,011). The loss per share was (45p) (2017: (31p)).

The Directors continue to follow prudent accounting practices and, included in the loss of £14,238,296, is a write-down of £5,000,000 in the value of the software. Thus, the trading loss was £9,238,296 (2017: (£9,446,721)).

Through its subsidiary company GPJ Venture Capital LLC, Ganapati continues to attract the interest of high-net worth investors in Japan through the issuing of three-year bonds carrying an attractive coupon. The Company has been pleased with the percentage of early stage investors who have been willing to renew their bonds at the expiration of the first three-years period.

The Market Trading Facility
The Company shares are traded on the NEX Exchange Growth Market in London.

GANAPATI PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2018

Principal risks and uncertainties
The Board regularly reviews the risks facing the company and seeks to exploit, avoid or mitigate these risks as appropriate.

Key performance indicators
The Directors continue to monitor the overhead costs and revenue generation capabilities of the Group as well as the maintaining of resources of the Group as well as the maintenance of resources as part of the regular business reviews.

When the Company generates significant revenues, key performance indicators will be used to assess comparable progress in its sectors of operation.

Other information and explanations
Board Changes
Following the resignation of Mr Fujimoto on 31 July 2017, the Board recruited two new directors. On 12 September 2017 Mr Toshitaka Nakajima was appointed the Company's Finance Director as CFO (Chief Financial Officer)and has made a significant contribution to the strengthening of the Company's systems of operation. On 7 November 2017, Mr Hayato Terai, a bi-lingual lawyer, joined the Board of Directors as CLO (Chief Legal Officer) and has contributed to the competence of the Company in the sectors requiring his professional expertise.

Corporate Governance
To reflect the changes in the structure of the Board of Directors, the Company will be reviewing the membership of its Audit, Nominations and Remuneration Committees.

Post Period End Results
On 18 April 2018, the Company announced that its wholly-owned subsidiary Ganapati (Malta) Limited, had entered into an agreement with ISB Technology Sarl and their online and mobile casino games supplier brand, iSoftBet, to add content to its Game Aggregation Platform ("GAP"). This will be achieved by the integration of Ganapati's full suite of Japanese-themed games including hits such as 'She Ninja Suzu' and 'Pikotaro's Pinapple pen'.

Outlook
While it is accepted that the global marketplace in which Ganapati operates is expanding beyond the expectations of the Board however, so too is the competition. Your Directors' believe that our concentration on the competence of its organisation and the creative designing of its range of games will allow us to compete effectively in this market. Our games are now integrated to the GAP as disclosed above thus allowing the Company to begin revenue generation.

Your Board of Directors is focussed on delivering value to its shareholders and bondholders. The past year has been a year of consolidation for the Company and we look to the next 12 months with confidence.

....
Mr A Drury
Chairman
28 June 2018

GANAPATI PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2018

The directors present their annual report and financial statements for the year ended 31 January 2018.

Principal activities
The principal activity of the company and group continued to be that of developers of gaming apps.

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

Mr A Drury	
Mr Y Ishihara	
Mr H Hasegawa	
Mr M Fujimoto	(Resigned 31 July 2017)
Mr T Sawada	
Mr T Nakajima	(Appointed 12 September 2017)
Mr H Terai	(Appointed 7 November 2017)

Results and dividends
The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Auditor
In accordance with the company's articles, a resolution proposing that Welbeck Associates be reappointed as auditor of the group will be put at a General Meeting.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

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Mr A Drury
Director
Date: 28 June 2018

GANAPATI PLC

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2018

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 group and company, and of the profit or loss of the group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GANAPATI PLC

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GANAPATI PLC

Opinion

We have audited the financial statements of Ganapati plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 January 2018 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 January 2018 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Material uncertainty related to going concern

We draw attention to note 1.3 in the financial statements which indicates that the Group incurred a net loss of £14,238,296 during the year ended 31 January 2018 and, of that date, the Group's total liabilities exceeded its assets by £31,900,480.

As stated in note 1.3, these events or conditions, along with the other matters as set forth in note 1.3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.
Our opinion is not modified in this respect.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How we addressed it
Accounting Estimates Are prepared on a reasonable and consistent basis and are disclosed adequately in the financial statements.	We have considered the basis of the accounting estimates you have applied when preparing the financial statements and consider your responses to audit questions with professional scepticism.
Related Parties We are required to consider if the disclosures made in the financial statements are complete and accurate and the processes for identifying related parties and related party transactions.	We have assessed the Company's procedures for identifying related parties and ensuring the completeness of the disclosures that are included in the audit planning pack.
Management override We are required to consider how management biases could affect the results of the company	We have considered the controls in place, remained alert for material and unusual items and tested a sample of journals to assess the risk.
Going Concern We consider the company's ability to finance its activities for a period of not less than 12 months from the date the financial statements are approved.	Our going concern review focused on the cash flow forecasts and current and future financing arrangements in place in order to assert the going concern assumption.

Our application of materiality
Materiality for the Group's financial statements as a whole was set at £ 810,000 (2017: £250,000).

This has been calculated as 3% of the benchmark of Gross Assets (2017: 1% of the benchmark of Gross Assets), which we have determined, in our professional judgment, to be one of the principal benchmarks within the financial statements relevant to members of the Group in assessing financial performance.

We report to the director's all corrected and uncorrected misstatements we identified through our audit with a value in excess of £40,500 (2017: £12,500), in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

An overview of the scope of our audit
Our audit is risk based and is designed to focus our efforts on the areas at greatest risk of material misstatement, aspects subject to significant management judgement as well as greatest complexity, risk and size.

We consider management override and related parties to be qualitatively material. Although it is not the responsibility of the auditor to discover fraud, clearly any instances of fraud which we detect are material to the users of the financial statements. We have tested manual and automated journal entries, with a focus on those journal entries at year end. In addition, as part of our audit procedures to address this fraud risk, we assessed the overall control environment and reviewed whether there had been any reported actual or alleged instances of fraudulent activity during the year. For Related Parties, we have inquired with the client as the relevant related parties. We have also assessed the Group's procedures regarding related parties.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Jonathan Bradley-Hoare (Senior Statutory Auditor)
for and on behalf of Welbeck Associates 28 June 2018

Chartered Accountants
Statutory Auditor
London, United Kingdom

GANAPATI PLC

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2018

	Notes	2018 £	2017 £
Turnover	3	2,947,724	3,269,908
Administrative expenses		(17,733,006)	(10,415,497)
Other operating income		844,603	-
Operating loss	5	(13,940,679)	(7,145,589)
Interest receivable and similar income	9	3	-
Interest payable and similar expenses	10	(297,620)	(1,475,129)
Amounts written off investments		-	(106,140)
Loss before taxation		(14,238,296)	(8,726,858)
Tax on loss	11	-	(719,863)
Loss for the financial year		(14,238,296)	(9,446,721)
Loss for the financial year is attributable to:			
- Owners of the parent company		(14,258,881)	(9,459,100)
- Non-controlling interests		20,585	12,379
		(14,238,296)	(9,446,721)

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

GANAPATI PLC

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JANUARY 2018

	2018 £	2017 £
Loss for the year	(14,238,296)	(9,446,721)
Other comprehensive income	-	-
Total comprehensive income for the year	(14,238,296)	(9,446,721)
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	(14,258,881)	(9,459,100)
- Non-controlling interests	20,585	12,379
	(14,238,296)	(9,446,721)

GANAPATI PLC

GROUP BALANCE SHEET

AS AT 31 JANUARY 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Intangible assets	**12**		14,535,008		13,535,736
Tangible assets	**13**		247,848		118,257
			14,782,856		13,653,993
Current assets					
Debtors	**17**	2,567,875		2,013,344	
Cash at bank and in hand		1,311,230		2,376,011	
		3,879,105		4,389,355	
Creditors: amounts falling due within one year	**18**	(2,794,235)		(772,933)	
Net current assets			1,084,870		3,616,422
Total assets less current liabilities			15,867,726		17,270,415
Creditors: amounts falling due after more than one year	**19**		(47,768,206)		(34,944,328)
Net liabilities			(31,900,480)		(17,673,913)
Capital and reserves					
Called up share capital	**21**		319,926		308,197
Share premium account			396,526		396,526
Profit and loss reserves			(32,726,027)		(18,467,146)
Equity attributable to owners of the parent company			(32,009,575)		(17,762,423)
Non-controlling interests			109,095		88,510
			(31,900,480)		(17,673,913)

The financial statements were approved by the board of directors and authorised for issue on 28 June 2018 and are signed on its behalf by:

....

Mr A Drury
Director

GANAPATI PLC

COMPANY BALANCE SHEET

AS AT 31 JANUARY 2018

		2018		2017	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Intangible assets	**12**		7,567,366		11,278,401
Tangible assets	**13**		94,030		-
Investments	**14**		446,779		446,779
			8,108,175		11,725,180
Current assets					
Debtors	**17**	9,960,857		2,647,613	
Cash at bank and in hand		60,473		626,812	
		10,021,330		3,274,425	
Creditors: amounts falling due within one year	**18**	(793,987)		(197,175)	
Net current assets			9,227,343		3,077,250
Total assets less current liabilities			17,335,518		14,802,430
Creditors: amounts falling due after more than one year	**19**		(49,692,249)		(32,824,524)
Net liabilities			(32,356,731)		(18,022,094)
Capital and reserves					
Called up share capital	**21**		319,926		308,197
Share premium account			396,526		396,526
Profit and loss reserves			(33,073,183)		(18,726,817)
Total equity			(32,356,731)		(18,022,094)

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £14,346,366 (2017 - £9,639,880 loss).

The financial statements were approved by the board of directors and authorised for issue on 28 June 2018 and are signed on its behalf by:

....

Mr A Drury

Director

Company Registration No. 08807827

GANAPATI PLC

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2018

	Notes	Share capital	Share premium account	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
		£	£	£	£	£	£
Balance at 1 February 2016		308,197	396,526	(9,008,046)	(8,303,323)	76,131	(8,227,192)
Year ended 31 January 2017:							
Loss and total comprehensive income for the year		-	-	(9,459,100)	(9,459,100)	12,379	(9,446,721)
Balance at 31 January 2017		308,197	396,526	(18,467,146)	(17,762,423)	88,510	(17,673,913)
Year ended 31 January 2018:							
Loss and total comprehensive income for the year		-	-	(14,258,881)	(14,258,881)	20,585	(14,238,296)
Issue of share capital	21	11,729	-	-	11,729	-	11,729
Balance at 31 January 2018		319,926	396,526	(32,726,027)	(32,009,575)	109,095	(31,900,480)

GANAPATI PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2018

	Notes	Share capital	Share premium account	Profit and loss reserves	Total
		£	£	£	£
Balance at 1 February 2016		308,197	396,526	(9,086,937)	(8,382,214)
Year ended 31 January 2017:					
Loss and total comprehensive income for the year		-	-	(9,639,880)	(9,639,880)
Balance at 31 January 2017		308,197	396,526	(18,726,817)	(18,022,094)
Year ended 31 January 2018:					
Loss and total comprehensive income for the year		-	-	(14,346,366)	(14,346,366)
Issue of share capital	**21**	11,729	-	-	11,729
Balance at 31 January 2018		319,926	396,526	(33,073,183)	(32,356,731)

GANAPATI PLC

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Cash flows from operating activities					
Cash generated from operations	**22**		7,897,390		8,386,823
Interest paid			(297,620)		(1,475,129)
Income taxes paid			(154,319)		(680,811)
Net cash inflow from operating activities			7,445,451		6,230,883
Investing activities					
Purchase of intangible assets		(5,999,773)		(5,528,631)	
Purchase of tangible fixed assets		(225,050)		(76,128)	
Proceeds on disposal of tangible fixed assets		3,779		1,937	
Proceeds from other investments and loans		(522)		-	
Interest received		3		-	
Net cash used in investing activities			(6,221,563)		(5,602,822)
Financing activities					
Proceeds from issue of shares		11,729		-	
Repayment of borrowings		(2,300,398)		466,635	
Net cash (used in)/generated from financing activities			(2,288,669)		466,635
Net (decrease)/increase in cash and cash equivalents			(1,064,781)		1,094,696
Cash and cash equivalents at beginning of year			2,376,011		1,281,315
Cash and cash equivalents at end of year			1,311,230		2,376,011

GANAPATI PLC

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Cash flows from operating activities					
Cash absorbed by operations	23		(11,243,025)		(9,196,575)
Interest paid			(4,805,054)		(2,822,840)
Net cash outflow from operating activities			(16,048,079)		(12,019,415)
Investing activities					
Purchase of intangible assets		(1,288,965)		(3,278,401)	
Purchase of tangible fixed assets		(108,751)		-	
Proceeds on disposal of subsidiaries		-		(38,736)	
Interest received		2		-	
Net cash used in investing activities			(1,397,714)		(3,317,137)
Financing activities					
Proceeds from issue of shares		11,729		-	
Repayment of borrowings		16,867,725		15,647,735	
Net cash generated from financing activities			16,879,454		15,647,735
Net (decrease)/increase in cash and cash equivalents			(566,339)		311,183
Cash and cash equivalents at beginning of year			626,812		315,629
Cash and cash equivalents at end of year			60,473		626,812

1 Accounting policies

Company information

Ganapati plc ("the company") is a public limited company domiciled and incorporated in England and Wales. The registered office is 6-8 Standard Place, Rivington Street, London EC2A 3BE.

The group consists of Ganapati plc and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Ganapati plc and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 January 2018. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

1 Accounting policies

1.3 Going concern

During the year, the Group made a loss of £14,238,296 (2017 loss of £9,446,721), and at the year-end had net liabilities of £31,900,480 (2017 £17,673,913).

The cash balance at the year-end was £1,311,230 (2017 £2,376,011) and whilst creditors falling due within one year was £2,794,235 (2017 £772,933) the creditors greater than one year was £47,768,206 (2017 £34,944,328). The creditors greater than one year are semi -quasi bonds that are repayable after 3 years. These bonds have been issued monthly in varying amounts and the first repayments fall due after June 2017. The viability of the company is dependent on both the Apps being successful and the ability of the directors to generate future funding or converting some of the debt into equity.

However, after making enquiries, the Directors have formed a judgement that there is a reasonable expectation that the Company can secure further adequate resources, either through external financing or the core business generating sufficient working capital for the Company to continue in operational existence for the foreseeable future. Further, this will ensure that adequate arrangements will be in place to enable the settlement of their financial commitments as and when they fall due.

For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements. Whilst there are inherent uncertainties in relation to future events, and therefore no certainty over the outcome of the matters described, the Directors consider that, based upon financial projections and dependent on the success of their efforts to complete these activities, the Company will be a going concern for the next twelve months.

1 Accounting policies

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Revenue Recognition
Revenue is measured by reference to the fair value of consideration received or receivable by the Group for goods supplied and services provided, excluding VAT or applicable sales tax, and trade discounts. Revenue is recognised upon the performance of services or transfer of risk to the customer.
Sale of goods
Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods which is generally when a software licence is delivered.
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold which is generally when the licence key is delivered,
- it is probable that the economic benefits associated with the transaction will flow to the entity, and
- the amount of revenue and the costs associated with the transaction can be measured reliably.

Support services
Related ancillary services such as support and maintenance and system hosting are recognised over the period of the contract. Content development sales are recognised on a work performed basis. Where training or support services are invoiced but not supplied by the period end, the value of these services is recorded in current liabilities as deferred income.
The outcome of the transaction is deemed to be able to be estimated reliably when all the following conditions are satisfied:

- the stage of completion of the transaction at the reporting date can be measured reliably and is estimated by reference to the period of the contract,
- it is probable that the economic benefits associated with the transaction will flow to the entity, and
- the amount of revenue and costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Commission
Commission income from the securities business of GPJ is recognised when services are rendered.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost or value of the asset can be measured reliably.

1 Accounting policies (continued)

Amortisation 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:

Development Costs	by review

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	over 5 years
Plant and machinery	over 5 years
Motor vehicles	over 5 years

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 profit and loss account.

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1 Accounting policies (continued)

1.9 Impairment of fixed assets

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

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

1.10 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and 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.

1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies (continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, 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 have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1 Accounting policies (continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.13 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.14 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 profit and loss account 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies (continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing 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 profit and loss account, 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 if, and only if, there is 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.

1.15 Employee benefits

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

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

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

1.16 Foreign exchange

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

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2018	2017
	£	£
Turnover analysed by class of business		
App sales	2,947,724	3,269,908

3 Turnover and other revenue

	2018	2017
	£	£
Other significant revenue		
Interest income	3	-

4 Earnings per share

The basic earnings per share is based on the loss for the year divided by the weighted average number of shares in issue during the year. The weighted average number of ordinary shares for the year assumes that all shares have been included in the computation based on the weighted average number of days since issue.

	2018	2017
Profit/(loss) attributable to equity holders of the Company:	(14,258,881)	(9,459,100)
Profit/(loss) for the year attributable to equity	(14,258,881)	(9,459,100)
Weighted average number of Ordinary shares in issue for basic earnings	31,468,846	30,819,700
Weighted average number of Ordinary shares in issue for fully diluted earnings	31,468,846	30,819,700
Earnings/(loss) per share		
Basic and fully diluted:		
Basic earnings/(loss) per share from continuing and total operations	(45)p	(31)p
Fully diluted earnings/(loss) per share from continuing and total operations	(45)p	(31)p

5 Operating loss

	2018	2017
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(676,433)	3,808,254
Depreciation of owned tangible fixed assets	92,181	33,021
Amortisation of intangible assets	5,000,000	-

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £676,433 (2017 - £3,808,254).

6 Auditor's remuneration

	2018	2017
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	20,000	20,000
Audit of the financial statements of the company's subsidiaries	3,000	3,000
	23,000	23,000

7 Employees

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

	Group 2018 Number	2017 Number	Company 2018 Number	2017 Number
	48	58	20	2

Their aggregate remuneration comprised:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Wages and salaries	4,731,919	2,770,487	698,174	160,067

8 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	259,880	137,980

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2018 £	2017 £
Remuneration for qualifying services	64,812	113,610

9 Interest receivable and similar income

	2018	2017
	£	£
Interest income		
Interest on bank deposits	3	-

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	3	-

10 Interest payable and similar expenses

	2018	2017
	£	£
Other finance costs:		
Other interest	297,620	1,475,129

11 Taxation

	2018	2017
	£	£
Current tax		
Foreign current tax on profits for the current period	-	719,863

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2018	2017
	£	£
Loss before taxation	(14,238,296)	(8,726,858)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.17% (2017: 20.00%)	(2,729,481)	(1,745,372)
Unutilised tax losses carried forward	2,729,481	2,465,235
Taxation charge for the year	-	719,863

12 Intangible fixed assets

Group	Development Costs
	£
Cost	
At 1 February 2017	15,956,050
Additions - internally developed	3,425,118
Additions - separately acquired	4,713,540
At 31 January 2018	24,094,708
Amortisation and impairment	
At 1 February 2017	4,559,700
Amortisation charged for the year	5,000,000
At 31 January 2018	9,559,700
Carrying amount	
At 31 January 2018	14,535,008
At 31 January 2017	13,535,736

Company	Development Costs
	£
Cost	
At 1 February 2017	15,838,101
Additions - internally developed	1,288,965
At 31 January 2018	17,127,066
Amortisation and impairment	
At 1 February 2017	4,559,700
Amortisation charged for the year	5,000,000
At 31 January 2018	9,559,700
Carrying amount	
At 31 January 2018	7,567,366
At 31 January 2017	11,278,401

13 Tangible fixed assets

Group	Plant and machinery	Motor vehicles	Total
	£	£	£
Cost			
At 1 February 2017	127,161	27,706	154,867
Additions	104,951	120,099	225,050
Disposals	(3,779)	-	(3,779)
At 31 January 2018	228,333	147,805	376,138
Depreciation and impairment			
At 1 February 2017	13,519	22,590	36,109
Depreciation charged in the year	92,181	-	92,181
At 31 January 2018	105,700	22,590	128,290
Carrying amount			
At 31 January 2018	122,633	125,215	247,848
At 31 January 2017	104,572	5,115	118,257

Company	Plant and machinery	Motor vehicles	Total
	£	£	£
Cost			
At 1 February 2017	-	-	-
Additions	19,265	89,486	108,751
At 31 January 2018	19,265	89,486	108,751
Depreciation and impairment			
At 1 February 2017	-	-	-
Depreciation charged in the year	14,721	-	14,721
At 31 January 2018	14,721	-	14,721
Carrying amount			
At 31 January 2018	4,544	89,486	94,030

14 Fixed asset investments

		Group		Company	
		2018	2017	2018	2017
	Notes	£	£	£	£
Investments in subsidiaries	15	-	-	446,779	446,779

14 Fixed asset investments

Movements in fixed asset investments

Company	**Shares in group undertakings**
	£
Cost or valuation	
At 1 February 2017 and 31 January 2018	446,779
Carrying amount	
At 31 January 2018	446,779
At 31 January 2017	446,779

15 Subsidiaries

Details of the company's subsidiaries at 31 January 2018 are as follows:

Name of undertaking	**Registered office**	**Nature of business**	**Class of shares held**	**% Held Direct**	**% Held Indirect**
Ganapati Neo OU	Estonia	development of online game	Ordinary	100.00	
Ganapati (Malta) Limited	Malta	supply of online game	Ordinary	100.00	
GPJ Venture Capital LLC	Japan	seller of software services	Ordinary	86.25	
Ganapati Neo SRL	Romania	development of online game	Ordinary	100.00	
Ganapati Entertainment Inc.	US	dormant	Ordinary	100.00	

16 Financial instruments

	Group 2018	**2017**	**Company 2018**	**2017**
	£	**£**	**£**	**£**
Carrying amount of financial assets				
Debt instruments measured at amortised cost	2,544,423	1,847,022	9,949,095	2,605,700
Carrying amount of financial liabilities				
Measured at amortised cost	50,525,431	35,559,402	1,928,402	3,675,420

17 Debtors

	Group 2018	2017	Company 2018	2017
Amounts falling due within one year:	£	£	£	£
Trade debtors	2,152,245	1,369,221	(2)	(1)
Unpaid share capital	2,880	2,880	2,880	2,880
Amounts owed by group undertakings	-	-	9,624,410	2,395,899
Other debtors	315,296	532,393	236,115	248,835
Prepayments and accrued income	11,762	108,850	11,762	-
	2,482,183	2,013,344	9,875,165	2,647,613
Amounts falling due after more than one year:				
Other debtors	85,692	-	85,692	-
Total debtors	2,567,875	2,013,344	9,960,857	2,647,613

18 Creditors: amounts falling due within one year

	Group 2018	2017	Company 2018	2017
	£	£	£	£
Trade creditors	37,204	282,510	37,204	-
Corporation tax payable	-	154,319	-	-
Other taxation and social security	37,010	3,540	-	(39,908)
Other creditors	407,208	319,220	231,397	226,483
Accruals and deferred income	2,312,813	13,344	525,386	10,600
	2,794,235	772,933	793,987	197,175

19 Creditors: amounts falling due after more than one year

		Group 2018	2017	Company 2018	2017
	Notes	£	£	£	£
Other borrowings	20	1,134,416	3,434,814	49,692,249	32,824,524
Other creditors		46,633,790	31,509,514	-	-
		47,768,206	34,944,328	49,692,249	32,824,524

20 Loans and overdrafts

	Group 2018 £	2017 £	Company 2018 £	2017 £
Loans from group undertakings	-	-	48,557,834	29,386,187
Other loans	1,134,416	3,434,814	1,134,415	3,438,337
	1,134,416	3,434,814	49,692,249	32,824,524
Payable after one year	1,134,416	3,434,814	49,692,249	32,824,524

Interest is payable at 1% per month on inter-company loans.

A loan was made by CD One LLC in the amount of £633,896 (2017: £2,206,483) in different stages throughout the year. The loan bears interest of 4.5% annually and is repayable in May 2018.

A loan was made by Equity Midas Inc. in the amount of £500,519 (2017: £1,231,853) in different stages throughout the year. The loan bears interest of 4.5% annually and is repayable in February 2018.

21 Share capital

	Group and company 2018 £	2017 £
Ordinary share capital		
Issued and not fully paid		
31,992,653 Ordinary shares of 1p each	319,926	308,197

22 Cash generated from group operations

	2018	2017
	£	£
Loss for the year after tax	(14,238,296)	(9,446,721)
Adjustments for:		
Taxation charged	-	719,863
Finance costs	297,620	1,475,129
Investment income	(3)	-
Amortisation and impairment of intangible assets	5,000,000	-
Depreciation and impairment of tangible fixed assets	92,181	33,021
Amounts written off investments	-	106,140
Movements in working capital:		
(Increase) in debtors	(599,791)	(935,546)
Increase in creditors	17,345,679	16,434,937
Cash generated from operations	7,897,390	8,386,823

22 Cash generated from operations - company

	2018	2017
	£	£
Loss for the year after tax	(14,346,366)	(9,639,880)
Adjustments for:		
Finance costs	4,805,054	2,822,840
Investment income	(2)	-
Amortisation and impairment of intangible assets	5,000,000	-
Depreciation and impairment of tangible fixed assets	14,721	-
Amounts written off investments	-	106,140
Movements in working capital:		
(Increase) in debtors	(7,355,157)	(2,457,537)
Increase/(decrease) in creditors	638,725	(28,138)
Cash absorbed by operations	(11,243,025)	(9,196,575)