

GANAPATI PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019

GANAPATI PLC

COMPANY INFORMATION

Directors	Mr A Drury Mr Y Ishihara Mr H Hasegawa Mr T Nakajima Mr H Terai Mr Y Iwakiri
Secretary	Mr M Hudson
Company number	08807827
Registered office	6-8 Standard Place Rivington Street London EC2A 3BE
Independent auditors	PKF Littlejohn LLP Statutory auditor 1 Westferry Circus Canary Wharf London E14 4HD
Corporate advisor	Alexander David Securities 49 Queen Victoria Street London EC4N 4SA

GANAPATI PLC

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GANAPATI PLC

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2019

I am pleased to announce the financial results for the year ended 31 January 2019 for Ganapati Plc ("Ganapati" or "the Company").

This has been a period of significant progress which has seen global expansion, exciting new product development and the emerging of our wholly owned subsidiary company, GanaEight Coin Limited ("G8C") which will utilise blockchain technology and online casino gaming to unlock of economic of value through the integration of a blockchain platform.

The Company continues to develop its software ("Apps") for the social media and consumer games markets: BUZZ POP, a free app for communications involving video messaging, Zappi, an instant billboard commentary service and MY list, a curation service for the building up of lists

Ganapati is endorsing its position in the entertainment sector by producing a branded product range for the iGaming industry building on Japanese imagery, animation and technology.

An important focus during the year under review has been the work undertaken by G8C who has appointed Grant Thornton to oversee the registration of a Whitepaper with the Malta Financial Services Authority ("MFSA") in the preparation of an innovative method of combining online casinos and blockchain technology so delivering in due course a transparent, accessible online casino (see below under 'G8C Online Casino Platform').

Financial Review

The results for the Group for the year ended 31 January 2019 include:

	2019	2018
	£	£
Loss for the year	33,508,386	14,238,296
Revenue to external customers	3,175,665	2,947,724
Total assets	18,358,534	18,661,961
Cash at bank	2,164,905	1,311,230
Loss per share	(105p)	(45p)

Through its subsidiary company GPJ Venture Capital LLC, Ganapati is attracting the interest of high-net worth investors in Japan through the issuing of three-year bonds which offer an attractive coupon. The Company is pleased to report that the level of renewals by early stage investors reaching the expiration of the first three-years period, continues at a high level.

The Market Trading Facility

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

G8C Online Casino Platform

During the year under review, GanaEight Coin Limited ("G8C"), which is based in Malta, and as explained above, intends to launch an online casino platform utilising blockchain technology. Application for the G8C's Virtual Financial Asset ("VFA") to be admitted to trading on the Distributed Ledger technology Exchange is expected to be made with the MFSA in the third quarter of 2019 and approval by the competent authority in Malta cannot be guaranteed. However, G8C, through its fellow subsidiary GPJ Venture Capital LLC, has begun the Token Pre-Sale via a Initial Virtual Financial Asset Offering to fund the development of a blockchain platform which is designed to use a token as a chip for payment and utility functions that can be used for online casino betting on the platform. The potential sale of tokens may have a significant benefit on the financing needs of the Group.

Other information and explanations

Board Changes

There were no Board changes during the year under review. Since the year end, on 7 February 2019, we have welcomed Mr Yutaka Iwakiri as a director, and on 31 May 2019 Mr Taku Sawada resigned to pursue his own business interests.

Corporate Governance

Reflecting the expansion of the Group there has been a greatly increased communication between the directors. Mr Toshitaka Nakajima and Mr Hayato Terai have been, and continue to be, regular visitors to the subsidiary operations and visit London frequently for meetings with the Chairman and the Company advisors. The Chairman has visited Malta on two occasions to take part in Company functions.

GANAPATI PLC

CHAIRMAN'S STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

Post Period End Results

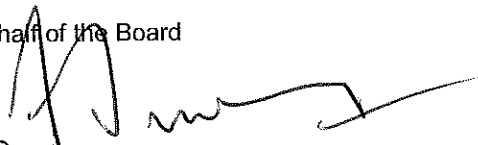
There have been two significant events since the end of the reporting year. Firstly, the Company has achieved its target of generating two new games a month and secondly has been the production of the third draft White Paper being prepared by G8C bringing closer the application to the Malta Regulatory Authorities.

Outlook

This has been a year of real achievement by the very hard-working directors and our staff colleagues. The production of games is accelerating all the time and the G8C Online Casino Platform has the potential to transform Ganapati into a market leader.

Should this happen, and as yet it cannot be guaranteed, the returns in due course for our shareholders will be significant.

On behalf of the Board



Tony Drury
Chairman
15 July 2019

GANAPATI PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JANUARY 2019

The Directors present their strategic report for Ganapati Plc (the "Company") and its subsidiary undertakings (together the "Group") for the year ended 31 January 2019.

Principal activities

The principal activities of the Company and Group continued to be that of developers of gaming apps and the production of a branded product range for the iGaming industry.

Review of the business

A review of the business is contained in the Chairman's Statement on page 1.

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 part of the regular business reviews.

The Company uses margin assessment, cost per employee, revenue generation, sector penetration and competitor comparisons to monitor its performance within the sector in which it operates.

Future developments

The Chairman's Statement on page 1 provides information on the future outlook of the group.

Principal risks and uncertainties

The Group's strategy is to follow an appropriate risk policy, which effectively manages exposures related to the achievement of business objectives. The Board is responsible for approving the Group's strategy and determining the appropriate level of risk. The Board regularly reviews the risks facing the Group and seeks to exploit, avoid or mitigate these risks as appropriate. The key risks which the group faces are detailed as follows:

Business performance risk

Business performance risk is the risk that the Group may not perform as expected either due to internal factors or due to competitive pressures in the markets in which they operate.

Business continuity risk

The main risk is that Ganapati is prevented from following through its current strategic plan. This would result from changes at Director level implying the loss of several key members, the failure to meet its financial projections and a collapse in demand for its iGaming products. The failure to secure the approval of the financial regulator to the G8C White Paper is a further risk.

Market conditions

Ganapati is becoming a global trading company and so the underlying tariffs and entry requirement in any one country may have an adverse effect on the Company's trading progress.

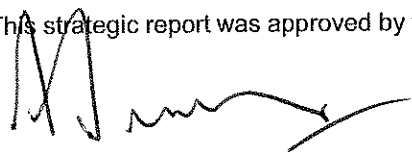
Political and Country Risk – EU Referendum

The Company is quoted in the United Kingdom (UK) and operates in the UK and European Union. As a result of the Referendum, the Company may be subject to the impact of the UK leaving the European Union. As a result, given the ongoing uncertainty surrounding the situation the Company is monitoring matters and seeking advice as to how to mitigate the risks arising if and when they may occur.

Financial instruments

Details of the use of financial instruments by the Group are contained in Note 21 to the financial statements.

This strategic report was approved by the board of directors on 15 July 2019 and signed on behalf of the board by:



Tony Drury
Chairman

GANAPATI PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2019

The Directors present their annual report and the audited financial statements of the Group and Company for the year ended 31 January 2019.

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 T Sawada	(Resigned 31 May 2019)
Mr T Nakajima	
Mr H Terai	
Mr Y Iwakiri	(Appointed 7 February 2019)

Results and dividends

The results for the year are set out on page 11.

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

Directors' remuneration

The total remuneration of the Directors for the year was as follows:

	Fees	Bonus	Total 2019	Total 2018
Mr A Drury	49,000	-	49,000	35,837
Mr Y Ishihara	8,197	-	8,197	8,883
Mr H Hasegawa	24,593	-	24,593	24,691
Mr T Sawada	96,512	-	96,512	64,698
Mr T Nakajima	117,793	-	117,793	40,031
Mr H Terai	54,513	-	54,513	55,231
Mr F Mutsuya (Resigned July 2017)	-	-	-	35,000
	350,608	-	350,608	264,371

Directors' interests

As at 31 January 2019, no Directors held any shares in the Company, (2018: nil).

Events after balance sheet date

Details of significant events since the balance sheet date are contained in Note 24 to the financial statements.

Shares and listing

The Company's ordinary shares are listed on the NEX Growth Market (ticker: GANP). Details of the corporate advisor and brokers are presented on the Company Information page. The closing price of the Company's shares at 31 January 2019 was 0.45 pence (2018: 0.55 pence).

Going concern

During the year, the Group made a loss of £33,521,640 (2018: loss of £14,258,881), and at the year-end had net liabilities of £64,810,666 (2018 £31,900,480).

The cash balance at the year-end was £2,164,905 (2018: £1,311,230) and whilst creditors falling due within one year was £14,566,073 (2018 £2,794,235) the creditors greater than one year was £68,603,127 (2018: £47,768,206). 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. The viability of the company is dependent on both the Apps and games being successful and the ability to generate future funding from the sale of the gaming tokens 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 Group can secure further adequate resources, as evident from the post year-end sales of the gaming tokens. The funds raised from the token sales support the working capital requirements for the Group 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.

GANAPATI PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

Going concern (continued)

For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements. The Directors consider that, based upon financial projections the Group and Company will be a going concern for the next twelve months.

As at the date of this report, the Group had approximately £3,108,742 cash at bank.

Auditor

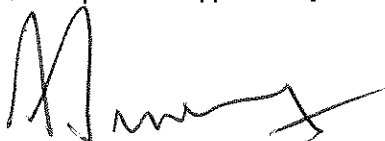
PKF Littlejohn LLP have expressed their willingness to continue in office as auditor and will be proposed for reappointment at the next Annual General Meeting.

Statement of disclosure of information to auditors

The directors of the company who held office at the date of approval of this directors' report confirm that:

- So far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This report was approved by the board of directors on 15 July 2019 and signed on behalf of the board by:



Tony Drury
Chairman

GANAPATI PLC

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2019

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 group and company 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 and 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; 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 group and 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and company and to prevent and detect fraud and other irregularities

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 2019 which comprise the Group Profit and Loss Account, the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group and Company Statements of Changes in Equity, the Group and 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 Financial Reporting Standard 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 of the parent company's affairs as at 31 January 2019 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 group and parent 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 as applied to listed entities, 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.

Material uncertainty related to going concern

We draw attention to note 1.3 in the financial statements, which states that the group incurred a net loss of £33,521,640 during the year ended 31 January 2019 and, as of that date, the group's current liabilities exceeded its current assets by £8,864,664. As stated in note 1.3, these events or conditions, along with other matters set forth in note 1.3, indicates that a material uncertainty exists that may cast significant doubt on the group's and company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Emphasis of matter – customer advances

We draw attention to note 17 in the financial statements, which details the circumstances in which the Group recognised customer advances for the year ended 31 January 2019. As the "White Paper" has not yet been finalised and made public, an uncertainty arises over the legitimacy of the pre-sale contractual terms. If these contractual terms are in contradiction of the published "White Paper", an outflow of economic benefits could be expected either by compensation or reimbursement.

Our opinion is not modified in respect of this matter.

Our application of materiality

Materiality for the group and company financial statements as a whole was set at £1,134,000 (2018: £810,000).

Materiality has been calculated based on a benchmark of 4% of net assets (2018: 3% 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 company in assessing financial performance of the group.

We report to the Directors all corrected and uncorrected misstatements we identified through our audit with a value in excess of £2,206 (2018: £40,500).

GANAPATI PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GANAPATI PLC (CONTINUED)

An overview of the scope of our audit

As part of designing our audit we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas requiring the directors to make significant judgements and estimates, for example in respect of the valuation of the internally generated intangible assets. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We conducted a full scope audit of the group and parent company financial statements. Six of the subsidiaries were subject to a full scope audit conducted directly by PKF Littlejohn LLP. One component, located in Tokyo, was audited by a component auditor under our instruction and supervision in accordance with ISA 600.

The audit team interacted regularly with the component audit team during all stages of the audit and was responsible for the scope and direction of the audit process. This, in conjunction with additional audit procedures performed at a consolidation level, gave us sufficient appropriate evidence for our opinion of the group and parent company financial statements.

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. In addition to the matter described in the Material Uncertainty Related to Going Concern section we have determined the matters described below to be the key audit matters to be communicated in our report

Key audit matter	How the scope of our audit responded to the key audit matter
<p><u>Valuation of intangible assets/ system development costs</u></p> <p>As at year end, the intangible assets in the Group were £12,212,259.</p> <p>There is a risk that the online games and platforms developed and under development may not be correctly capitalised in accordance with FRS 102. An intangible asset shall be recognised if:</p> <ul style="list-style-type: none"> • It is probable that the expected future economic benefits from the asset will flow to the entity; and • The cost of the asset can be measured reliably. <p>Development costs should be capitalised within intangible assets if the entity complies with all the criteria listed in FRS 102.</p>	<p>We performed the following work to address the identified risk:</p> <ul style="list-style-type: none"> • Assessed compliance of the recognition criteria under FRS102 and challenged management on areas involving significant judgement (in particular the requirement to demonstrate commercial and technical feasibility); • Completed substantive testing on additions; • Assessed the carrying value of the intangible assets for impairment. • Reviewed director's assertions, reperformed and sensitised Discounted cash flows.

GANAPATI PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GANAPATI PLC (CONTINUED)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the group and parent company 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 the 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 parent company and their 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 in relation to which 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 group and parent company 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 group and parent company 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

GANAPATI PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GANAPATI PLC (CONTINUED)

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 PKF Littlejohn LLP

Statutory Auditor

1 Westferry Circus

Canary Wharf

London

E14 4HD

16 July 2019

GANAPATI PLC

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2019

	Notes	2019 £	2018 £
Revenue	3	<u>3,175,665</u>	<u>2,947,724</u>
Gross profit		3,175,665	2,947,724
Administrative expenses		(35,979,740)	(17,733,006)
Other operating income	4	<u>1,147,446</u>	<u>844,603</u>
Operating loss	6	(31,656,629)	(13,940,679)
Interest receivable and similar income	10	13	3
Interest payable and similar expenses	11	<u>(133,901)</u>	<u>(297,620)</u>
Loss before taxation		(31,790,517)	(14,238,296)
Tax on loss	12	<u>(1,717,869)</u>	<u>-</u>
Loss for the financial year		<u>(33,508,386)</u>	<u>(14,238,296)</u>
Loss for the financial year is attributable to:			
- Owners of the parent company		(33,521,640)	(14,258,881)
- Non-controlling interests		<u>13,254</u>	<u>20,585</u>
		<u>(33,508,386)</u>	<u>(14,238,296)</u>
Earnings per share attributable to owners of the parent company			
Basic loss per share (pence)	5	(105) p	(45) p

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

The notes on pages 19 to 32 form part of these financial statements.

GANAPATI PLC

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JANUARY 2019

	2019	2018
	£	£
Loss for the year	(33,508,386)	(14,238,296)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(33,508,386)</u>	<u>(14,238,296)</u>
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	(33,521,640)	(14,258,881)
- Non-controlling interests	13,254	20,585
	<u>(33,508,386)</u>	<u>(14,238,296)</u>

The notes on pages 19 to 32 form part of these financial statements.

GANAPATI PLC

GROUP BALANCE SHEET

AS AT 31 JANUARY 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Systems development	13		12,212,259		14,535,008
Purchased intangible assets			2,487		-
Goodwill			105,843		-
Tangible assets	14		336,536		247,848
			<u>12,657,125</u>		<u>14,782,856</u>
Current assets					
Debtors	16	3,536,504		2,567,875	
Cash at bank and in hand		2,164,905		1,311,230	
		<u>5,701,409</u>		<u>3,879,105</u>	
Creditors: amounts falling due within one year	17	<u>(14,566,073)</u>		<u>(2,794,235)</u>	
Net current (liabilities)/assets			<u>(8,864,664)</u>		<u>1,084,870</u>
Total assets less current liabilities			3,792,461		15,867,726
Creditors: amounts falling due after more than one year	18		<u>(68,603,127)</u>		<u>(47,768,206)</u>
Net liabilities			<u>(64,810,666)</u>		<u>(31,900,480)</u>
Capital and reserves					
Called up share capital	20		319,926		319,926
Share premium account			396,526		396,526
Capital reserve			598,200		
Profit and loss reserves			<u>(66,247,667)</u>		<u>(32,726,027)</u>
Equity attributable to owners of the parent company			<u>(64,933,015)</u>		<u>(32,009,575)</u>
Non-controlling interests			<u>122,349</u>		<u>109,095</u>
			<u>(64,810,666)</u>		<u>(31,900,480)</u>

The financial statements were approved by the board of directors and authorised for issue on 15 July 2019 and are signed on its behalf by:


.....
Mr A Drury
Director

The notes on pages 19 to 32 form part of these financial statements.

GANAPATI PLC

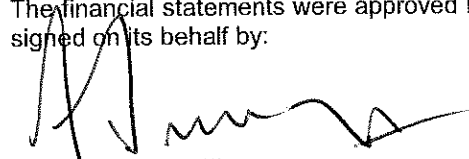
COMPANY BALANCE SHEET

AS AT 31 JANUARY 2019

		2019		2018	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	13		5,942,309		7,567,366
Tangible assets	14		175,125		94,030
Investments in subsidiaries	15		514,669		446,779
Intercompany long term loan			14,158,079		-
			<u>20,790,182</u>		<u>8,108,175</u>
Current assets					
Debtors	16	14,076,859		9,960,857	
Cash at bank and in hand		294,959		60,473	
		<u>14,371,818</u>		<u>10,021,330</u>	
Creditors: amounts falling due within one year	17	<u>(10,322,357)</u>		<u>(793,987)</u>	
Net current assets			<u>4,049,461</u>		<u>9,227,343</u>
Total assets less current liabilities			24,839,643		17,335,518
Creditors: amounts falling due after more than one year	18		(70,991,393)		(49,692,249)
Net liabilities			<u>(46,151,750)</u>		<u>(32,356,731)</u>
Capital and reserves					
Called up share capital	20		319,926		319,926
Share premium account			396,526		396,526
Capital reserve			598,200		-
Profit and loss reserves			<u>(47,466,402)</u>		<u>(33,073,183)</u>
Total equity			<u>(46,151,750)</u>		<u>(32,356,731)</u>

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 £14,393,219 (2018 - £14,346,366 loss).

The financial statements were approved by the board of directors and authorised for issue on 15 July 2019 and are signed on its behalf by:



Mr A Drury
Director

Company Registration No. 08807827

The notes on pages 19 to 32 form part of these financial statements.

GANAPATI PLC
GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2019

	Share capital £	Share premium account £	Capital reserve £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
Balance at 1 February 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	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)
Year ended 31 January 2019:							
Loss and total comprehensive income for the year	-	-	-	(33,521,640)	(33,521,640)	13,254	(33,508,386)
Debt for equity swap	-	-	598,200	-	598,200	-	598,200
Balance at 31 January 2019	319,926	396,526	598,200	(66,247,667)	(64,933,015)	122,349	(64,810,666)

The notes on pages 19 to 32 form part of these financial statements.

GANAPATI PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2019

	Share capital	Share premium account	Capital reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 February 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	11,729	-	-	-	11,729
Balance at 31 January 2018	319,926	396,526	-	(33,073,183)	(32,356,731)
Year ended 31 January 2019:					
Loss and total comprehensive income for the year	-	-	-	(14,393,219)	(14,393,219)
Debt for equity swap	-	-	598,200	-	598,200
Balance at 31 January 2019	319,926	396,526	598,200	(47,466,402)	(46,151,750)

The notes on pages 19 to 32 form part of these financial statements.

GANAPATI PLC

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2019

	Group	
	2019 £	2018 £
Operating activities		
Operating loss	(33,508,386)	(14,238,296)
Adjusted for:		
Depreciation	48,500	92,181
Amortisation of intangible assets	3,090,368	5,000,000
Foreign taxation	1,717,869	-
Interest received	(13)	(3)
Net finance costs	133,901	297,620
(Increase) / decrease in debtors	(968,599)	(599,791)
(Decrease) / increase in creditors	5,657,185	17,345,679
Net cash used in operating activities	(23,829,175)	7,897,390
Investing activities		
Additions to intangible assets	(767,619)	(5,999,773)
Additions to fixed tangible assets	(137,189)	(225,050)
Proceeds on disposal of tangible fixed assets	-	3,779
Net proceeds from other investments and loans		(522)
Interest received		3
Net cash used in investing activities	(904,808)	(6,221,563)
Financial activities		
Net proceeds from bonds issued	19,997,701	-
Proceeds from issue of shares	-	11,729
Customer advances	5,589,957	-
Repayment of borrowings	-	(2,300,398)
Net cash used in financing activities	25,587,658	(2,288,669)
Net increase / (decrease) in cash and cash equivalents	853,675	(1,064,781)
Cash and cash equivalents at the beginning of the period	1,311,230	2,376,011
Cash and cash equivalents at the end of the period	2,164,905	1,311,230

The notes on pages 19 to 32 form part of these financial statements.

GANAPATI PLC

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2019

	Company	
	2019 £	2018 £
Operating activities		
Operating loss	(14,393,219)	(14,346,366)
Adjusted for:		
Depreciation	26,428	14,721
Amortisation of intangible assets	1,625,057	5,000,000
Interest received	(13)	(2)
(Increase) / decrease in debtors	(18,274,082)	(7,355,157)
(Decrease) / increase in creditors	10,006,189	638,725
Net cash used in operating activities	(21,009,640)	(16,048,079)
Investing activities		
Additions to intangible assets	-	(1,288,965)
Additions to fixed tangible assets	(107,523)	(108,751)
Acquisition of a subsidiary	(67,890)	-
Interest received	13	3
Net cash used in investing activities	(175,400)	(1,397,714)
Financial activities		
Net proceeds from loans received	21,419,526	16,867,725
Proceeds from issue of shares	-	11,729
Repayment of borrowings	-	-
Net cash used in financing activities	21,419,526	16,879,454
Net increase / (decrease) in cash and cash equivalents	234,486	(566,339)
Cash and cash equivalents at the beginning of the period	60,473	628,812
Cash and cash equivalents at the end of the period	294,959	60,473

The notes on pages 19 to 32 form part of these financial statements.

GANAPATI PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2019

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.

The accounting policies, which have been applied consistently throughout the year and to the preceding year, unless otherwise stated, are set out below:

1.1 Accounting convention

The financial statements for the group and parent company have been prepared in accordance with United Kingdom Accounting Standards including Financial Reporting Standard 102 ("FRS 102") and the Companies Act 2006.

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain assets and liabilities at fair value.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying group and company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

The financial statements are presented in pound sterling because that is the currency of the primary economic environment in which the company and group operates.

1.2 Basis of consolidation

The Group financial statements consolidate the financial statements for Ganapati plc and all of its subsidiary undertakings.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

In the parent company financial statements investment in subsidiaries are accounted for at cost less impairment.

All intra-group transactions, balances income and expenses are eliminated on consolidation.

1.3 Going concern

The financial statements have been prepared on a going concern basis. The Group's assets are generating minimal revenues, an operating loss and operating cash outflows have been reported and are expected in the 12 months subsequent to the date of these financial statements.

During the year, the Group made a loss of £33,521,640 (2018: loss of £14,258,881), and at the year-end had net liabilities of £64,810,666 (2018 £31,900,480).

The cash balance at the year-end was £2,164,905 (2018: £1,311,230) and whilst creditors falling due within one year was £14,566,073 (2018 £2,794,235) the creditors greater than one year was £68,603,127 (2018: £47,768,206). 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. The viability of the company is dependent on both the Apps and games being successful and the ability to generate future funding from the sale of the gaming tokens or converting some of the debt into equity.

GANAPATI PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

1 Accounting policies (continued)

1.3 Going concern (continued)

However, after making enquiries, the Directors have formed a judgement that there is a reasonable expectation that the Group can secure further adequate resources, as evident from the post year-end sales of the gaming tokens. The funds raised from the token sales support the working capital requirements for the Group 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. The Directors consider that, based upon financial projections the Group and Company will be a going concern for the next twelve months.

The auditors make reference to going concern by way of material uncertainty within this audit report.

1.4 Revenue

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 customer advances.

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.

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.

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	5 years
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GANAPATI PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

1 Accounting policies (*continued*)

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 fair value of the asset can be measured reliably.

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:

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 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.

1.9 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 instrument.

Financial instruments are recognised in the statement of financial position when the Group or Parent Company becomes a party to the contractual provisions of the instrument.

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.

Financial assets and liabilities are only offset, with the net amounts presented in the statement of financial position, when there is a legally enforceable right to set off the recognised amounts and the group intends to settle on a net basis or to realize asset and settle the liability simultaneously.

1.10 Debtors

Short term debtors are measured at transaction price, less any impairment.

Loans receivable are initially recorded at the present value of future payments discounted at a market rate of interest for a similar loan. Subsequently, they are measured at amortised cost using the effective interest rate method. Loans that are receivable within one year are not discounted.

GANAPATI PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

1 Accounting policies (*continued*)

1.11 Impairment of assets

At each reporting date assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount. And an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the assets is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.12 Creditors

Short term trade creditors are measured at the transaction price.

Other financial liabilities, including loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.13 Derecognition of financial liabilities

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

1.14 Foreign currencies

Transactions in currencies, other than the functional currency of the company, are recorded at the rate of exchange on the date the transaction occurred.

Monetary assets and liabilities denominated in foreign currencies at balance sheet date are translated at the rate prevailing at the end of the reporting period. All differences are taken to the profit and loss account. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

1.15 Share capital

Ordinary shares are classified as equity. Instrumental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

1.16 Taxation

Taxation represents the sum of current and deferred tax.

The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period and is the amount of income tax payable in respect of the taxable profit for the year or prior year.

Deferred tax is recognised on all timing difference between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

GANAPATI PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

1 Accounting policies (continued)

1.17 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.

1.18 Customer advances

Customer advances refers to the payments received on the sale of tokens in the year, where the services have not yet been delivered or rendered.

The tokens are expected to be realised in 2022.

2 Accounting judgements and estimates

The preparation of the financial statements requires the directors to make judgement and estimates concerning the future that affect the reported amounts of assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. The resulting accounting estimates will, by definition, differ from the related actual results.

The following are the group's key sources of estimation uncertainty:

2.1 Valuation of internally generated intangibles

The Group carries its Intangible assets at fair value. On an annual basis, the Group assesses the value of the intangible assets held against the useful life and expected future economic benefits to be earned.

The valuations are inherently subjective as they are made using the assumptions applied by management which may not prove to be accurate due to the changing trends in the market in which the intangible assets are traded or used.

3 Revenue

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

	2019 £	2018 £
Revenue analysed by class of business		
Software development	2,141,803	2,947,724
App sales	2,645	-
Game sales	32,520	-
Service fees	998,697	-
	<u>3,175,665</u>	<u>2,947,724</u>
 Revenue to external customers by geographic area		
Japan	3,143,145	2,947,724
Curacao	32,520	-
	<u>3,175,665</u>	<u>2,947,724</u>

GANAPATI PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

4 Other income

	2019	2018
	£	£
Service fees	1,147,446	844,603

5 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.

	2019	2018
	£	£
Total loss from continuing operations attributable to equity holders of the group	(33,521,640)	(14,258,881)
Weighted average number of ordinary shares in issue for basic and fully diluted earnings	31,992,649	31,468,846
Basic earnings per share from continuing operations, (pence)	(105) p	(45) p

For the current year and for the prior period the loss attributable to ordinary shareholders and the weighted average number of ordinary shares for the purpose of calculating the diluted earnings per share are identical to those used for the basic loss per share.

6 Operating loss

	2019	2018
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange losses/(gains)	8,332,086	(676,433)
Depreciation of owned tangible fixed assets	48,500	92,181
Amortisation of intangible assets	3,090,368	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 £8,332,086 (2018 - £676,433).

7 Auditor's remuneration

	2019	2018
	£	£
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	10,000	3,000
	30,000	23,000

GANAPATI PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

8 Employees

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

	Group		Company	
	2019 Number	2018 Number	2019 Number	2018 Number
	137	48	28	20

Their aggregate remuneration comprised:

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Wages and salaries	6,949,154	4,731,919	1,176,770	698,174

9 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	350,609	259,880

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

	2019 £	2018 £
Remuneration for qualifying services	117,793	64,812

10 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Interest on bank deposits	13	3

11 Interest payable and similar expenses

	2019 £	2018 £
Other finance costs:		
Interest payable on loans	133,901	297,620

GANAPATI PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

12 Taxation

	2019 £	2018 £
Current tax		
Foreign current tax on profits for the current period	1,717,869	-
<p>The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:</p>		
	2019 £	2018 £
Loss before taxation	(33,508,386)	(14,238,296)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.17%)	(6,366,593)	(2,729,481)
Unutilised tax losses carried forward	8,084,462	2,729,481
Taxation charge	1,717,869	-

The group has estimated excess management expenses of £14,523,859 (2018: £6,207,128) available for carry forward against future trading profits.

13 Intangible fixed assets

Group	Development Costs
Cost	£
At 1 February 2018	24,094,708
Additions - internally developed	767,619
At 31 January 2019	24,862,327
Amortisation	
At 1 February 2018	9,559,700
Amortisation charge for the year	3,090,368
At 31 January 2019	12,650,068
Carrying amount	
At 31 January 2019	12,212,259
At 31 January 2018	14,535,008

GANAPATI PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

13 Intangible fixed assets (continued)

Company	Development Costs
	£
Cost	
At 1 February 2018	17,127,066
At 31 January 2019	17,127,066
Amortisation	
At 1 February 2018 and 31 January 2019	9,559,700
Amortisation charge for the year	1,625,057
At 31 January 2019	11,184,757
Carrying amount	
At 31 January 2019	5,942,309
At 31 January 2018	7,567,366

14 Tangible fixed assets

Group	Plant and machinery	Motor vehicles	Total
	£	£	£
Cost			
At 1 February 2018	228,333	147,804	376,137
Additions	115,163	22,026	137,189
At 31 January 2019	343,496	169,830	513,326
Depreciation and impairment			
At 1 February 2018	105,700	22,590	128,290
Depreciation charged in the year	38,820	9,680	48,500
At 31 January 2019	144,520	32,270	176,790
Carrying amount			
At 31 January 2019	198,976	137,560	336,536
At 31 January 2018	122,633	125,215	247,848

GANAPATI PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

14 Tangible fixed assets (continued)

Company

	Plant and machinery £	Motor vehicles £	Total £
Cost			
At 1 February 2018	19,265	89,486	108,751
Additions	81,497	26,026	107,523
At 31 January 2019	100,762	115,512	216,274
Depreciation and impairment			
At 1 February 2018	14,721	-	14,721
Depreciation charged in the year	16,580	9,848	26,428
At 31 January 2019	31,301	9,848	41,149
Carrying amount			
At 31 January 2019	69,461	105,664	175,125
At 31 January 2018	4,544	89,486	94,030

15 Investments in subsidiaries

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Investments in subsidiaries	-	-	514,669	446,779

Movements in investments in subsidiaries

Company

	Shares in group undertakings £
Cost	
At 1 February 2018 and 31 January 2019	446,779
Additions	67,890
Carrying amount	
At 31 January 2019	514,669
At 31 January 2018	446,779

During the year, the Company purchased 100% of the share capital in One Tusk Interactive Studios for £67,890. The purchase resulted in goodwill of £105,843.

GANAPATI PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

15 Investments in subsidiaries (continued)

Details of the company's subsidiaries at 31 January 2019 are as follows:

Name of undertaking	Registered Office	Nature of business	Class of shares held	% Held Direct
Ganapati (Malta) Limited	Malta	Supply of online games	Ordinary	100.00
Ganapati Entertainment Inc.	US	No trading activities	Ordinary	100.00
Ganapati Neo OU	Estonia	Development of online game	Ordinary	100.00
Ganapati Neo SRL	Romania	Development of online game	Ordinary	100.00
GPJ Venture Capital LLC	Japan	Software services	Ordinary	86.25
GanaEight Coin Limited	Malta	Online casino games holder	Ordinary	100.00
Ganapati Europe Holdings Limited	Malta	Holding company	Ordinary	100.00
One Tusked Interactive Studios NV	Curacao	Distributor of online casino games	Ordinary	100.00

16 Debtors

Amounts falling due within one year:	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Trade debtors	1,657,289	2,152,245	-	(2)
Unpaid share capital	-	2,880	-	2,880
Amounts owed by group undertakings	-	-	13,631,176	9,624,410
Other debtors	1,702,811	400,988	445,683	321,807
Prepayments and accrued income	176,404	11,762	-	11,762
	<u>3,536,504</u>	<u>2,567,875</u>	<u>14,076,859</u>	<u>9,960,857</u>

17 Creditors: amounts falling due within one year

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Trade creditors	2,325,906	37,204	1,258,194	37,204
Corporation tax payable	389,981	-	-	-
Other creditors	5,388,834	444,218	50,638	231,397
Amounts owed to group companies	-	-	8,212,479	-
Customer advances	5,589,957	-	-	-
Accruals	871,395	2,312,813	801,046	525,386
	<u>14,566,073</u>	<u>2,794,235</u>	<u>10,322,357</u>	<u>793,987</u>

Customer advances have arisen during the current year from the sales of utility tokens (virtual currency). The tokens were issued from GanaEight Coin Limited as part of a pre-sale measure before the official publication of the "White Paper". The tokens will allow the purchaser to place bets on online casino sites. As the platform to host the group's online games has not yet been completed, no tokens have been used as at 31 January 2019. Until the White Paper is issued the token sales are being treated as customer advances.

GANAPATI PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

18 Creditors: amounts falling due after more than one year

	Notes	Group		Company	
		2019 £	2018 £	2019 £	2018 £
Loans	19	-	1,134,416	-	1,134,415
Other creditors		68,603,127	46,633,790	70,991,393	48,557,834
		<u>68,603,127</u>	<u>47,768,206</u>	<u>70,991,393</u>	<u>49,692,249</u>

19 Loans

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Loans from group undertakings	-	-	70,991,393	48,557,834
Other loans	-	1,134,416	-	1,134,415
	<u>-</u>	<u>1,134,416</u>	<u>70,991,393</u>	<u>49,692,249</u>
Payable after one year	-	1,134,416	70,991,393	49,692,249

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

A loan was made by CD One LLC in the amount of £214,479 (2018: £633,896) in different stages throughout the year. The loan bears interest of 1% per month and is repayable in March 2019 and has been transferred to current liabilities.

A loan was made by Equity Midas Inc. in the amount of £463,821 (2018: £500,519) in different stages throughout the year. The loan bears interest of 1% per month and is repayable in February 2019 and has been transferred to current liabilities.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

20 Share capital

	Group and Company	
	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
31,992,653 Ordinary shares of 1p each	319,926	319,926

21 Financial instruments

The Group's principal financial instruments comprise cash, receivables, loans, creditors and accruals. The main risks associated with these financial assets and liabilities are set out below:

Credit risk

The Group's credit risk is primarily attributable to its loans and receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made when there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Liquidity risk

The Group's liquidity risk is managed by the directors through regular assessment of required cash levels. It will be necessary to raise additional funds in the future by a further issue of ordinary shares, tokens or by other means. However, the ability to fund future investments and overheads as well as the ability of investments to return suitable return cannot be guaranteed, particularly in the current economic climate.

The carrying values of the group and company's financial assets and liabilities are summarised by category below:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Financial assets held at amortised cost				
Trade debtors	1,657,289	2,152,245	-	-
Other debtors	1,879,215	415,630	14,076,859	9,960,857
Cash and cash equivalents	2,164,905	1,311,230	294,959	60,473
	5,701,409	3,879,105	14,371,818	10,021,330
Financial liabilities held at amortised cost				
Trade payables	2,325,906	37,204	1,258,194	37,204
Loans payable	68,603,127	47,768,206	70,991,393	49,692,249
Accruals and other payables	12,240,167	2,757,031	9,064,163	756,783
	83,169,200	50,562,441	81,313,750	50,486,236
On demand or within one year	14,566,073	2,794,235	10,322,357	793,987

22 Related parties

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not required to be disclosed.

There were no other related party transactions for the year ended 31 January 2019 (2018: none).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

23 Ultimate controlling party

The ultimate controlling party is HLMS Inc, a company incorporated in the British Virgin Islands, by virtue of its majority holding of the company's ordinary share capital.

24 Subsequent events

On 7 February 2019, Mr Yutaka Iwakiri was appointed as a director, and on 31 May 2019 Mr Taku Sawada resigned as a director of the company.