

**Green Man Gaming Holdings Ltd
(Formerly Green Man Gaming Holdings
plc)**

Report and Financial Statements

Year Ended

31 December 2020

Company Number 11556516

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Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Report and financial statements for the year ended 31 December 2020

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Directors

P Sulyok
S Giamas
C Jay
N Payne
M Caroe

Secretary and registered office

C Jay, Level 1, Devonshire House, Mayfair Place, London, England, W1J 8AJ

Company number

11556516

Auditor

TC Group, London

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Strategic report for the year ended 31 December 2020

Business model

Green Man Gaming is a global pure play e-commerce and technology business in the digital video games industry. The Group sells digital games which can be downloaded and played on a wide range of PC and console platforms, including Steam, Sony PlayStation and Nintendo, making it game platform agnostic. The Group has relationships with a number of games publishers which issue the Group with digital game 'keys', that are sold to gaming customers through Green Man Gaming's website, app and corporate partners including Intel and certain PC hardware resellers. The digital 'keys' allow customers to download digital games straight to their PC and console platforms and therefore no physical stock is held by the Group. Through its publishing arm, the Group also assists independent developers to take their digital games to market by leveraging Green Man Gaming's data, extensive community and marketing expertise

The digital video games industry is estimated to be worth approximately £40bn and is forecast to grow by 30% pa. The Directors believe that the market trends in the video games industry continue to move in the favour of Green Man Gaming and that the Group will increasingly benefit from the shift to digital distribution, platform fragmentation and increase in content. The Directors further believe that as these market trends develop, customers will require greater curation and personalisation, publishers will require more retail platforms and that the Group is ideally positioned to capitalise on this growth opportunity.

Headquartered in King's Cross, London, the Group has approximately 100 employees, offering over 6,600 digital multi-platform titles from 750 publishers to its customers from 195 countries globally. During this period the Group has continued to invest in and develop an instantly scalable technology platform that can support extension into new platforms, expansion into new territories and underpin future growth.

Strategy

Green Man Gaming's strategy is focused on three main pillars: Customer, Community and Commercial. With the customer at the centre of everything we do, the company's growth will be driven by data and our industry-leading platform, our community and strong brand as well as our strong partnerships.

Review of the Business and future developments

The directors present results for the year. Turnover is up to £52.8m in the year to December 2020 compared with £50.3m in the prior 12 months, an increase of 5%. Gross Margin improved to 13% of turnover (2019 - 12%). Operating loss excluding exceptional items decreased by £1.2m and Adjusted EBITDA which is used by the directors as a measure of success, increased from (£343k) in 2019 to £796k in 2020.

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Strategic report for the year ended 31 December 2020 (continued)

Key performance indicators

	2020	2019
Turnover from continuing operations (£m)	52.8	50.3
Annual turnover growth (%)	5%	(10)%

As the prime measure of our economic output, revenue growth is key to measuring shareholder return and the success of our expansion strategies.

	2020	2019
Gross margin from continuing operations (%)	13%	12%
Gross margin from continuing operations (£m)	6.9	5.9

Gross margin provides an indication of the quality of turnover growth and is also a measure of value added by the group, reflecting the quality of our marketing and customer service.

Adjusted EBITDA £'000	796	(343)
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Adjusted EBITDA provides a better understanding of the true results of the business, eliminating accounting adjustments and non cash items.

Trust Pilot Review Score at 31 December (out of 5)	4.6	4.5
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The quality of our customer service is vital to our brand. Customer feedback is the best independent indication we can get of how our products are received.

Business Outlook

The Directors consider that continued investment in the software and market developments will allow the business to grow organically. There are no planned future developments which will change the Group's operations or principle activities.

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Strategic report for the year ended 31 December 2022 (continued)

Principal risks and uncertainties

Product Release Dates

Green Man Gaming is dependent on the release dates of key gaming titles to drive its sales and delays in releasing titles may lead to reduced revenue as customers wait for a specific game.

Product Quality

Video games are highly complex products to develop and there is a risk that a product may be released for sale which fails to achieve a high review score, due to poor gameplay or bugs not being picked up in the QA process. Green Man Gaming Ltd may have to refund gamers who have purchased these game titles if the game is not playable, or may suffer reduced sales expectations if a game fails to deliver its promised content.

Effectiveness of the supply chain

There is a risk that suppliers of games could go bankrupt before a key game release, which may lead to reduced sales due to lack of stock and an alternative supplier not being sourced in time for the release.

Staffing

Our staff are key to running our business and there is a risk that excessive staff turnover could impact our ability to provide good customer service.

Effect of "Brexit"

The UK has officially left the European Union, but we have not yet seen any significant effect of this on our sales, suppliers and EU members of staff.

IT Risk

We have strong and resilient IT controls but there is a risk of game keys/codes and other information being exposed.

Approval

This Strategic Report was approved on behalf of the Board on 30th June 2021



**Callum Jay
Director**

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Report of the directors for the year ended 31 December 2020

The directors present their report together with the audited financial statements for the year ended 31 December 2020.

Results

The income statement is set out on page 12 and shows the loss for the year.

Principal activities

The principal activity of the company is as a Holding company of an online computer game retailer company, which is the principal activity of the Group.

On 31 Dec 2020 the Company was reregistered as a Private Company limited by shares.

Directors

The directors of the company during the period and subsequent to year end were:

P Sulyok
S Giamas
C Jay
N Payne
M Caroe

Post balance sheet events

The directors of the Group are not aware of any events post year-end which would require disclosure here or within the financial statements.

Going Concern

The financial statements as at 31 December 2020 show that the Group has a net current liability position of £13,514k (2019: £13,513k) and a net liability position of £11,152k (2019: £10,573k), while the Group reported a consolidated cash balance of £5,397k at 31 December 2020 (2019: £5,913k). Included in the liability position of the Group are overdue unpaid overseas sales taxes of £2,282k (2019: £1,776k) and a provision of £653k (2019: £686k).

The directors have prepared cash flow forecasts covering a period to December 2022 including payment for these overdue sales taxes, payment profile for which has been determined by reference to the directors' judgement as to when these payments are likely to fall due. The directors acknowledge that these overdue unpaid amounts are payable on demand and the Group may not be able to fulfil these obligations if all were called for immediate payment, however the directors do believe that the Group have sufficient funds to pay these outstanding debts as and when they are likely to fall due.

The directors believe that the budgets and forecasts indicate that the business is able to continue to operate as a going concern but do acknowledge the assumption noted above represents a level of uncertainty whereby if all the amounts were called for immediate payment the Group would need to raise finance and there is no certainty this could be achieved in the required timeframe. However, the directors believe that taken as a whole, the factors described above enable the Group to continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of these financial statements, and accordingly they have been prepared on a going concern basis.

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Report of the directors for the year ended 31 December 2020 (Continued)

The directors have also considered the impact of the COVID-19 pandemic on the company's ability to continue as a going concern. The Covid-19 virus is causing serious disruption across all sectors, however this has not had a material impact on the business. The company has taken all necessary action to ensure no interruption to the business as well as the continued safety, health and wellbeing of the staff. The company is fully functioning with staff continuing to fully operate and work remotely, via secure remote access, resulting in no impact to the day to day activities. In addition, all suppliers to the business have confirmed satisfactory operations are in place to ensure no interruption to the business. In the opinion of the directors, due to the nature of the business, the impact of the pandemic is not likely to be significant.

Consequently, the Directors believe that it continues to be appropriate to prepare the financial statements on a going concern basis.

Dividends

Dividends of £Nil (2019 - £Nil) were declared and paid in the year by the Company.

Financial risk management objectives and policies

The Group's operations expose it to a number of risks that include the effect of changes in interest rates, credit, foreign currency exchange rates and liquidity. The Group does not trade in financial instruments. Further details in relation to these risks are shown in note 27.

Interest rate risk

The Group is exposed to interest rate risk through its debt arrangement detailed in note 20 and through its management of retained cash. The Group monitors its exposure to interest rate risk when borrowing and investing its cash resources.

Credit risk

The Group has a large global customer base, and is therefore not dependent on a small number of customers. Accordingly, the Group does not believe it is exposed to significant credit risk.

Exchange risk

The Group is exposed to translation and transaction foreign exchange risk. The Group's foreign operations primarily trade in their own currencies, reducing the transaction risk. As a result, the main foreign exchange transactional exposure arises when repatriating profits. The Group only seeks to remit cash when required in the UK and it usually has some flexibility on the timing of such appropriations to minimise any exchange losses. The Group is, however, exposed to translation risks on net assets held.

Liquidity risk

Although the Group has borrowings, it maintains positive cash resources and sufficient available funds for its operations. Refer to note 2(b) for additional details.

Research and development undertaken by the Group

The Group invests in its online store platform and developing new features, including revenue driving and revenue protection mechanics.

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Report of the directors for the year ended 31 December 2020 (Continued)

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) and applicable law as adopted by the European Union, and the parent 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 or loss of the group and company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the group financial statements have been prepared in accordance with IFRS's as adopted by the European Union and the parent company financial statements in accordance with United Kingdom Accounting Standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Auditor

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

TC Group have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the Board



Calum Jay
Director
Date: 30th June 2021

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Independent Auditor's Report to the Members of Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Opinion

We have audited the financial statements of Green Man Gaming Holdings Ltd (formerly Green Man Gaming Holdings Plc) ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2020 which comprise consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated cash flow statement, company statement of financial position and company statement of changes in equity, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (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 December 2020 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 the 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, 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.

Significant uncertainty relating to going concern

We draw attention to note 2(b) in the financial statements, which indicates that should the sales taxes all be called for immediate payment, the Group, may not have sufficient funds to be able to settle these obligations if demanded.

As stated in note 2(b), these events or conditions, indicate that a significant uncertainty exists that may cast doubt on the Group and the Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Independent Auditor's Report to the Members of Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

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 Director's 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:

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Independent Auditor's Report to the Members of Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 determines 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 and 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 intends to liquidate the Group or the Parent Company or to cease operations, or has 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Independent Auditor's Report to the Members of Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (IFRS as adopted by the European Union, FRS 101 and the Companies Act 2006) and the relevant tax compliance regulations in the UK;
- We considered the nature of the industry, the control environment and business performance, including the key drivers for management's remuneration;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the Group and the Parent Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment; forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Independent Auditor's Report to the Members of Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

TC Group

Timothy Saxton BSc FCA (Senior Statutory Auditor)
for and on behalf of TC Group

Statutory Auditor
Office: London

Date: 30 June 2021

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Consolidated statements of comprehensive income For the year ended 31 December 2020

	<i>Note</i>	<i>31 December 2020 £'000</i>	<i>31 December 2019 £'000</i>
Revenue	4	52,765	50,273
Cost of sales		(45,901)	(44,352)
Gross profit		6,864	5,921
Administrative expenses	6	(8,369)	(8,620)
Exceptional costs	7	-	20
Operating loss	6	(1,505)	(2,679)
Finance income	8	-	-
Finance costs	8	(108)	(150)
Loss before taxation		(1,613)	(2,829)
Taxation	10	751	866
Loss for the year		(862)	(1,963)
Other comprehensive income			
Total other comprehensive income		-	-
Total comprehensive loss for the year		(862)	(1,963)

Adjusted EBITDA is a non GAAP Measure that the Group considers useful to the readers of the account.

Operating Loss		(1,505)	(2,679)
Depreciation	6	416	432
Amortisation	6	1,697	1,704
Foreign exchange	6	(83)	186
Share based payment expense	6	271	34
Exceptional items	6	-	(20)
Adjusted EBITDA		796	(343)

The notes on pages 18 to 46 form part of these financial statements.

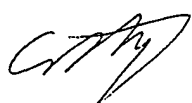
Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Consolidated statements of financial position As at the year ended 31 December 2020

Company Number 11556516

	Note	31 December 2020	31 December 2019
		£'000	£'000
ASSETS			
Non-current assets			
Intangible assets	11	2,314	2,494
Property, plant and equipment	12	142	540
Total non-current assets		2,456	3,034
Current assets			
Inventories	15	495	477
Trade and other receivables	16	1,864	3,272
Current tax receivable	17	713	870
Cash and cash equivalents	18	5,397	5,913
Total current assets		8,469	10,532
Total assets		10,925	13,566
EQUITY AND LIABILITIES			
Equity			
Share capital	22	278	277
Share premium		11	-
Merger reserve	23	6,786	6,786
Share based payment reserve	23	2,430	2,159
Accumulated losses	23	(20,657)	(19,795)
Total equity		(11,152)	(10,573)
Non- Current liabilities			
Lease liabilities (Building)	13	94	94
Current liabilities			
Lease liabilities	13	41	437
Trade and other payables	19	20,039	22,922
Provisions	20	653	686
Borrowings	21	1,250	-
Total current liabilities		21,983	24,045
Total liabilities		22,077	24,139
Total equity and liabilities		10,925	13,566

The financial statements were approved by the Board of directors and authorised for issue on 30th June 2021



Callum Jay, Director

The notes on pages 18 to 46 form part of these financial statements.

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Consolidated statements of changes in equity As at the year ended 31 December 2020

	<i>Share capital</i>	<i>Share Premium</i>	<i>Merger reserve</i>	<i>Share based payment reserve</i>	<i>Retained losses</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Balance at 1 January 2019	277	-	6,786	2,125	(17,832)	(8,644)
Comprehensive Income						
Loss for the year	-	-	-	-	(1,963)	(1,963)
Transactions with owners						
Share based payment expense	-	-	-	34	-	34
Balance at 31 December 2019	277	-	6,786	2,159	(19,795)	(10,573)
Comprehensive Income						
Loss for the year	-	-	-	-	(862)	(862)
Transactions with owners						
Shares issued	1	11	-	-	-	12
Share based payment expense	-	-	-	271	-	271
Balance at 31 December 2020	278	11	6,786	2,430	(20,657)	(11,152)

The notes on pages 18 to 46 form part of these financial statements.

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Consolidated cash flow statements For the year ended 31 December 2020

		31 December 2020	31 December 2019
	Note	£'000	£'000
Cash flows from operating activities			
Loss for the year		(862)	(1,963)
Adjustments for non-cash/non-operating items:			
Depreciation of tangible assets	12	416	432
Loss on disposal of tangible assets		-	-
Amortisation of intangible assets	11	1,696	1,704
Share based payment charges	6	271	34
Finance charges	8	108	150
Taxation charges	10	(751)	(866)
		878	(511)
Changes in working capital:			
(Increase)/decrease in trade and other receivables		(1,408)	(1,564)
Increase/(decrease) in trade and other payables		2,958	3,073
Increase/(decrease) in lease liability		(396)	(396)
Increase in provisions		-	-
Decrease/(increase) in inventories		(18)	990
Cash from/(used in) operations		2,014	2,103
Taxation		157	822
Net cash from/(used in) operating activities		2,171	2,414
Cash flows from investing activities			
Purchase of intangible assets	11	(1,515)	(1,649)
Purchase of property, plant and equipment	12	(19)	(30)
Net cash used in investing activities		(1,534)	(1,679)
Cash flows from financing activities			
Issue of ordinary shares in subsidiary		-	-
Share Premium		11	-
Proceeds from borrowings		1,250	-
Repayment of borrowings		-	(1,000)
Interest paid		(108)	(150)
Net cash from/(used in) financing activities		(1,153)	(1,150)
Net increase/(decrease) in cash and cash equivalents		(516)	(415)
Cash and cash equivalents beginning of period		5,913	6,328
Cash and cash equivalents at end of period	18	5,397	5,913

The notes on pages 18 to 46 form part of these financial statements.

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Company statements of financial position As at the year ended 31 December 2020

	<i>Note</i>	<i>31 December</i> <i>2020</i> <i>£'000</i>	<i>31 December</i> <i>2019</i> <i>£'000</i>
ASSETS			
Non-current assets			
Investments	14	277	277
Total non-current assets		<u>277</u>	<u>277</u>
Current assets			
Trade and Other receivables		12	-
Total current assets		<u>12</u>	<u>-</u>
Total assets		<u>289</u>	<u>277</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	22	278	277
Share premium		11	-
Retained Profits	23	-	-
Total equity		<u>289</u>	<u>277</u>
Total current liabilities		<u>-</u>	<u>-</u>
Total equity and liabilities		<u>289</u>	<u>277</u>

Company Number 11556516

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The Profit after tax of the parent company for the year was £Nil.

The financial statements were approved by the Board of Directors and authorised for issue on 30th June 2021



Callum Jay
Director

The notes on pages 18 to 46 form part of these financial statements.

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Company Statements of changes in equity As at the year ended 31 December 2020

	<i>Share capital</i> £'000	<i>Share Premium</i> £'000	<i>Retained Profit</i> £'000	<i>Total</i> £'000
As at 1 January 2019	277	-	-	277
Comprehensive Income				
Result for the period	-	-	-	-
Transactions with owners				
Shares issued	277	-	-	277
Balance at 31 December 2019	277	-	-	277
Comprehensive Income				
Result for the period	-	-	-	-
Transactions with owners				
Shares issued	1	11	-	12
Balance at 31 December 2020	278	11	-	289

The notes on pages 18 to 46 form part of these financial statements.

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Notes to the financial information For the year ended 31 December 2020

1. General Information

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc) (the "Company") is a private limited company, incorporated in England and Wales. The Company is domiciled in England and its registered office is Level 1, Devonshire House, Mayfair Place, London, England, W1J 8AJ.

These financial statements consolidate that of the Company and its wholly owned subsidiaries (together, the "Group").

The principal activity of the Group is that of an online computer game retailer.

The Group's consolidated financial statements are presented for the years 31 December 2020 and 31 December 2019, and financial position as at 1 January 2019 under IFRS. The parent company financial statements are presented for the period ended 31 December 2020 under Financial Reporting Standard 101 (UK GAAP).

The principle accounting policies adopted by the Group are set out in note 2.

2. Accounting policies

(a) Basis of preparation

The Group financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), and with those parts of the Companies Act 2006 as applicable to companies reporting under IFRS.

This financial statements are prepared in accordance with IFRS under the historical cost convention, as modified by the use of fair value for financial instruments measured at fair value. The financial statements are presented in pounds sterling ("£") except where otherwise indicated.

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

(b) Going concern

The financial statements as at 31 December 2020 show that the Group has a net current liability position of £13,514k (2019: £13,513k) and a net liability position of £11,152k (2019: £10,573k), while the Group reported a consolidated cash balance of £5,397k at 31 December 2020 (2019: £5,913k). Included in the liability position of the Group are overdue unpaid overseas sales taxes of £2,282k (2019: £1,776k) and a provision of £653k (2019: £686k).

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Notes to the financial information (*continued*) For the year ended 31 December 2020

2. Accounting policies (*continued*)

(b) Going concern

The directors have prepared cash flow forecasts covering a period to December 2022 including payment for these overdue sales taxes, payment profile for which has been determined by reference to the directors' judgement as to when these payments are likely to fall due. The directors acknowledge that these overdue unpaid amounts are payable on demand and the Group may not be able to fulfil these obligations if all were called for immediate payment, however the directors do believe that the Group have sufficient funds to pay these outstanding debts as and when they are likely to fall due.

The directors believe that the budgets and forecasts indicate that the business is able to continue to operate as a going concern but do acknowledge the assumption noted above represents a level of uncertainty whereby if all the amounts were called for immediate payment the Group would need to raise finance and there is no certainty this could be achieved in the required timeframe. However, the directors believe that taken as a whole, the factors described above enable the Group to continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of these financial statements, and accordingly they have been prepared on a going concern basis.

The directors have also considered the impact of the COVID-19 pandemic on the company's ability to continue as a going concern. The Covid-19 virus is causing serious disruption across all sectors, however this has not had a material impact on the business. The company has taken all necessary action to ensure no interruption to the business as well as the continued safety, health and wellbeing of the staff. The company is fully functioning with staff continuing to fully operate and work remotely, via secure remote access, resulting in no impact to the day to day activities. In addition, all suppliers to the business have confirmed satisfactory operations are in place to ensure no interruption to the business. In the opinion of the directors, due to the nature of the business, the impact of the pandemic is not likely to be significant.

Consequently, the Directors believe that it continues to be appropriate to prepare the financial statements on a going concern basis.

(c) New standards, amendments and interpretations

(i) *New standards, amendments and interpretations*

A number of new standards set out below are effective from 1 January 2020, however none of these standards have a significant impact on the Group's financial statements and therefore no detailed disclosures have been made:

- Definition of a Business (Amendments to IFRS 3)
- Interest Rate Benchmark Reform – IBOR 'phase 2' (Amendments to IFRS 9, IAS 39 and IFRS 7)
- COVID-19-Related Rent Concessions (Amendments to IFRS 16).
- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting
- Estimates and Errors (Amendment – Disclosure Initiative - Definition of Material)
- Revisions to the Conceptual Framework for Financial Reporting

(ii) *New standards, amendments and interpretations not yet effective*

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the group has decided not to adopt early as these amendments are not expected to have a significant impact on the Group's financial statements in the period of initial application:

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Notes to the financial information (*continued*) For the year ended 31 December 2020

2. Accounting policies (*continued*)

- IFRS 17 Insurance Contracts (effective 1 January 2023)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) (effective 1 January 2022)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) (effective 1 January 2022)
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41) (effective 1 January 2022)
- References to Conceptual Framework (Amendments to IFRS 3). (effective 1 January 2022)
- Classification of Liabilities as Current or Non-current (Amendments to IAS1). (effective 1 January 2023)

(d) Adjusted EBITDA

Adjusted EBITDA is a non-GAAP measure, being it is not a measure recognised under IFRS. The Directors consider that this measure may be helpful to potential investors and so it is shown. Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, foreign exchange differences, share based payment expense and exceptional costs.

(e) Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Transactions eliminated on consolidation

Intra-group balances, and any gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the financial statements. Losses are eliminated in the same way as gains, but only to the extent that there is no evidence of impairment.

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Notes to the financial information (*continued*) For the year ended 31 December 2020

2. Accounting policies (*continued*)

Merger accounting

The Company was incorporated on 6 September 2018 and entered into an agreement to acquire the entire issued capital of Green Man Gaming Limited on 21 September 2018. The acquisition was effected by way of issue of shares.

Consequently, the previously recognised book values and assets and liabilities of Green Man Gaming Limited have been retained and the consolidated financial statements for the periods ending 31 December 2020 and earlier years have been presented as if Green Man Gaming Holdings Ltd had always been the parent company of the Group.

Consideration payable in respect of this transaction was settled via a share for share exchange, whereby 75 ordinary shares in Green Man Gaming Holdings Ltd were exchanged for each allotted share in Green Man Gaming Limited.

In determining the appropriate accounting treatment for this transaction, the Directors considered IFRS 3 'Business Combinations'. However, they concluded that this transaction fell outside the scope of IFRS 3 since the transaction described above represents a combination of entities under common control.

In accordance with IAS 8 'Accounting Policies, changes in accounting estimates and errors', in developing an appropriate accounting policy, the Directors have considered the pronouncements of other standard setting bodies and specifically looked to accounting principles generally accepted in the United Kingdom ('UK GAAP') for guidance, which does not conflict with IFRS and reflects the economic substance of the transaction. The merger reserve is used where more than 90% of the shares in a subsidiary are acquired and the consideration includes the issue of new shares by the Company, thereby attracting merger relief under s.612 of the Companies Act 2006.

Under UK GAAP, the assets and liabilities of both entities are recorded at book value, not fair value (although adjustments are made to achieve uniform accounting policies), intangible assets and contingent liabilities are recognised only to the extent that they were recognised by the legal acquire in accordance with applicable IFRS, no goodwill is recognised, any expenses of the combination are written off immediately to the income statement and comparative amounts, if applicable, are restated as if the combination had taken place at the beginning of the earliest accounting period presented.

The result is that the merged groups are treated as if they had been combined throughout the current and comparative accounting periods. Merger accounting principles for these combinations gave rise to a merger reserve in the consolidated statement of financial position, being the difference between the nominal value of new shares issued by the Parent Company for the acquisition of the shares of the subsidiary and the subsidiary's own share capital and share premium account.

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Notes to the financial information (*continued*) For the year ended 31 December 2020

2. Accounting policies (*continued*)

(f) Revenue recognition

Revenue is recognised under IFRS 15 using a five-step model, at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer

Performance obligations and timing of revenue recognition

The majority of the group's revenue is derived from selling products with revenue recognised at a point in time when control of the goods has transferred to the purchaser. This is generally when the product is transmitted to the purchaser. There is limited judgement required to identify the point of control passing from the group to the customer, as the product is electronically transmitted, at which point the group no longer has possession. This transmission only takes place once payment has been received. The purchaser has the option to pre-purchase the product ahead of the product release date, with revenue being recognised when transmission has occurred and the product is available for use, up until this point the purchaser has the right to a refund. Once this transmission is complete the group retains none of the significant risks and rewards of the product in question.

For all revenue types, there are no warranties issues, and no right of return except in the instance of fraudulent purchases.

Determining the transaction price

The majority of the group's revenue is derived from fixed price transactions and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. Due to the nature of the revenue derived there is no variable consideration based on any events past the point of sale.

Allocating amounts to performance obligations

For most contracts, there is a fixed unit price for each unit sold. Therefore, there is no judgement involved in allocating the contract price to each unit ordered and, in such contracts, (it is the total contract price divided by the number of units ordered). Where a customer orders more than one product line, the Group is able to determine the split of split of the total contract price between each product line by reference to each product standalone selling price. All products are capable of being and are sold separately.

(g) Net finance costs

Finance costs

Finance costs comprise interest payable on borrowings, direct issue costs, dividends on preference shares and foreign exchange losses, and are expensed in the period in which they are incurred.

Finance income

Finance income comprises interest receivable on funds invested, and foreign exchange gains. Interest income is recognised in profit or loss as it accrues using the effective interest method.

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Notes to the financial information (*continued*) For the year ended 31 December 2020

2. Accounting policies (*continued*)

(h) Employee benefits: Pension obligations

The Group operates a defined contribution plan. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(i) Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

Depreciation

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

- Land and buildings leasehold – Lease life
- Plant, machinery and vehicles – 33 per cent. straight line
- Fixtures, fittings and equipment – 33 per cent. straight line
- Computer equipment – 33 per cent. straight line
- RoU asset – straight line over the lease term

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Consolidated Statement of Comprehensive Income.

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Notes to the financial information (*continued*) For the year ended 31 December 2020

2. Accounting policies (continued)

(j) Intangible assets

Research and development expenditure

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as intangible assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if an entity within the Group can demonstrate all of the following: -

- i) its ability to measure reliably the expenditure attributable to the asset under development;
- ii) the product or process is technically and commercially feasible;
- iii) its future economic benefits are probable;
- iv) its ability to use or sell the developed asset;
- v) the availability of adequate technical, financial and other resources to complete the asset under development; and
- vi) its intention to use or sell the developed asset.

Website development costs

Where group companies' websites are expected to generate future revenues in excess of the costs of developing those websites, expenditure on the functionality of the website is capitalised and treated as an intangible fixed asset. Expenditure incurred on maintaining websites and expenditure incurred on developing websites used only for advertising and promotional purposes are written off as incurred. The estimate useful life is 3 years.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price. The impairment loss is recognised immediately in profit or loss

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Notes to the financial information (*continued*) For the year ended 31 December 2020

2. Accounting policies (*continued*)

(l) Financial assets

Classification

The Group classifies all of its financial assets as loans and receivables. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments. They are initially recognised at fair value and are subsequently stated at amortised cost using the effective interest method.

Impairment of financial assets

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired asset.

(m) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

(n) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are de-recognised from the balance sheet when the obligation specified in the contract is discharged, is cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other operating income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(o) Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. The increase in the provision due to the passage of time is recognised in finance costs.

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Notes to the financial information (*continued*) For the year ended 31 December 2020

2. Accounting policies (*continued*)

(p) Share capital

Ordinary shares are classified as equity. There is one class of ordinary share in issue, as detailed in note 21. Incremental costs directly attributable to the issue of new shares are shown in share premium as a deduction from the proceeds.

(q) Leases

The Group follows IFRS 16 – Leases when accounting for leases and lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019.

(r) Transactions and balances in foreign currencies

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

Overseas operations which have a functional currency different to the group presentation currency have been translated using the monthly average exchange rate for consolidation in to the statement of comprehensive income. The amounts included in the group statement of financial position, have been translated at the exchange rate ruling at the statement date. All resulting exchange differences are reported in other comprehensive income.

(s) Income tax

Income tax for the years presented comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

The following temporary differences are not recognised if they arise from a) the initial recognition of goodwill, and b) for the initial recognition of other assets or liabilities in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

IFRIC 23

This interpretation covers how the Group accounts for taxation, where there is some uncertainty over whether treatments in the tax return will be accepted by HMRC or the relevant overseas jurisdictions. Each uncertain treatment (or combination of treatments) is considered for whether it will be accepted, and if probable taxable profits/losses, tax bases, unused tax losses, unused tax credits and tax rates are accounted for consistently with the tax return. Otherwise the Group accounts for each treatment using whichever of the two allowed measurement methods is expected to best predict the final outcome – the single most likely outcome or a probability weighted-average value of a range of possible outcomes. The new standard allows for two different transition approaches, fully retrospective and modified retrospective. The Group has not yet concluded on a transition method and as such it is not possible to fully quantify the impact of IFRIC 23 at this stage, though it is not expected to be material

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Notes to the financial information (*continued*) For the year ended 31 December 2020

2. Accounting policies (*continued*)

A deferred income tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(t) Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

(u) Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 23.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest.

The impact of the revision of the original estimates, if any, is recognised in the income statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to other reserves.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(w) Judgements in applying accounting policies and key sources of estimation uncertainty

The company invests heavily in research and development. The identification of development costs that meet the criteria for capitalisation is dependent on management's judgement and knowledge of the work done together with any agreements made with the rights holders of a specific game. Judgements are based on the information available at each period end. Economic success of any development is assessed on a reasonable basis and a review for indicators of impairment is completed by product at each period-end date. Intangible assets are subject to amortisation and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are reviewed by project for which there are separately identifiable cashflows.

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Notes to the financial information (*continued*) For the year ended 31 December 2020

3. Significant accounting estimates and judgements

The preparation of the Group's financial statements under IFRS as endorsed by the EU requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the statement of financial position date, amounts reported for revenues and expenses during the year, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liability affected in the future.

Estimates and judgements are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are detailed below.

a) Share based payment charges

The charge related to equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date they are granted, using an appropriate valuation model selected according to the terms and conditions of the grant. Judgement is applied in determining the most appropriate valuation model and in determining the inputs to the model. Third-party experts are engaged to advise in this area where necessary. Judgements are also applied in relation to estimations of the number of options which are expected to vest, by reference to historic leaver rates and expected outcomes under relevant performance conditions.

b) Research and Development expenditure

Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as intangible assets to the extent that such expenditure is expected to generate future economic benefits. Significant judgement is applied in determining if development cost meet the criteria to be capitalised as intangible assets.

c) Impairment of intangible assets

Intangible fixed assets are amortised on a straight-line basis over the useful economic lives taking into account residual values, where appropriate. Further intangible assets are reviewed for impairment at the end of the first financial year following acquisition and in other periods if events or changes in the circumstances indicate that the carrying value may not be recovered

d) Sales tax provision

Sales tax provisions are calculated by reference to the current best estimate of the expected sales tax amounts, and any related interest or penalties, requiring settlement at the reporting date. Significant judgement is applied in determining the risk associated with transactions from different financial periods and arising in different jurisdictions, and the likelihood of settlement of any such amounts.

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Notes to the financial information (*continued*) For the year ended 31 December 2020

4. Revenue and geographic analysis

	<i>31 December</i> <u>2020</u>	<i>31 December</i> <u>2019</u>
	<u>£'000</u>	<u>£'000</u>
United Kingdom	7,182	4,964
Europe	9,677	10,242
Rest of the world	35,906	35,067

All revenue has been recognised at a point in time in accordance with the policy detailed in note 2(f).

5. Employee and directors

(a) Staff costs for the Group during the year:

	<i>31 December</i> <u>2020</u>	<i>31 December</i> <u>2019</u>
	<u>£'000</u>	<u>£'000</u>
Wages and salaries	4,669	4,716
Social security costs	468	478
Other pension costs	91	86
Capitalised as part of intangible assets	(1,416)	(1,413)
	<u>3,812</u>	<u>3,867</u>

Average monthly number of people (including executive directors) employed by activity:

	<i>31 December</i> <u>2020</u>	<i>31 December</i> <u>2019</u>
Development	18	19
Sales and marketing	36	38
Administration and operations	38	41
	<u>92</u>	<u>98</u>

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Notes to the financial information (continued) For the year ended 31 December 2020

5. Employee and directors (continued)

(b) Directors' emoluments

	<i>31 December</i> <u>2020</u> £'000	<i>31 December</i> <u>2019</u> £'000
Salaries and fees	466	556
Post-employment benefits	4	5
Total directors' emoluments	470	561
Employer's national insurance	56	66
Total cost	526	627

Two of the Company's directors were in the Company's defined contribution pension scheme during the periods above (2019 – Two).

No staff costs are incurred in the Green Man Gaming Holdings company; therefore, the above figures represent the consolidated Directors remuneration for the Group.

(c) Highest paid director

	<i>31 December</i> <u>2020</u> £'000	<i>31 December</i> <u>2019</u> £'000
Salaries and fees	234	226
Post-employment benefits	2	2
	<u>236</u>	<u>228</u>

(d) Key management compensation

The following table details the aggregate compensation paid in respect of key management.

	<i>31 December</i> <u>2020</u> £'000	<i>31 December</i> <u>2019</u> £'000
Salaries and fees	919	959
Post-employment benefits	9	10
Share based payment expense	41	35
Total Key management compensation	969	1,005
Employer's national insurance	113	114
Total cost	1,082	1,119

Key management personnel include all directors, together with the certain other members of senior management who together have authority and responsibility for planning, directing, and controlling the activities of the Group.

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Notes to the financial information (*continued*) For the year ended 31 December 2020

6. Operating loss

Operating loss is stated after charging:

	<i>31 December</i> <i>2020</i> <i>£'000</i>	<i>31 December</i> <i>2019</i> <i>£'000</i>
Depreciation		
Owned property, plant and equipment	42	56
Amortisation of intangible assets	1,696	1,704
Share based payment	271	34
RoU Asset - Amortisation	376	376
R&D costs	1,365	1,413
Exchange differences	(83)	186
Auditor remuneration (note 9)	65	60

7. Exceptional costs

	<i>31 December</i> <i>2020</i> <i>£'000</i>	<i>31 December</i> <i>2019</i> <i>£'000</i>
Exceptional Items – IPO costs	-	(20)
Exceptional items – sales tax provision	-	-
Total Exceptional costs	<u>-</u>	<u>(20)</u>

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Notes to the financial information (*continued*) For the year ended 31 December 2020

8. Finance income and finance costs

	<u>31 December 2020</u> £'000	<u>31 December 2019</u> £'000
Interest payable	93	110
Lease interest	15	40
Total finance costs	<u>108</u>	<u>150</u>

9. Auditor's remuneration

The Group (including its subsidiary's) obtained the following services from the Company's auditors at costs as detailed below:

	<u>31 December 2020</u> £'000	<u>31 December 2019</u> £'000
Fee payable to Company's auditor and its associates for the audit of consolidated financial statements	44	40
Fees payable to Company's auditor and its associates for other services *	-	-
	<u>40</u>	<u>40</u>

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Notes to the financial information (*continued*) For the year ended 31 December 2020

10. Taxation

	<i>31 December</i> <i>2020</i> <i>£'000</i>	<i>31 December</i> <i>2019</i> <i>£'000</i>
Analysis of credit in year		
UK tax credit for the current financial year	713	866
Adjustments in respect of previous years	38	-
Double taxation relief	-	-
Total UK tax (credit)	<u>751</u>	<u>866</u>
Foreign tax for the current year	-	-
Total Group tax (credit)	<u>751</u>	<u>866</u>
Deferred tax	-	-
Tax per statement of comprehensive income	<u>751</u>	<u>866</u>

The tax credit for the year differs from the standard rate of corporation tax in the UK of 19.0% for the year ended 31 December 2020 and for the year ended 31 December 2019. The differences are explained below:

	<i>31 December</i> <i>2020</i> <i>£'000</i>	<i>31 December</i> <i>2019</i> <i>£'000</i>
Loss on ordinary activities before tax	(1,512)	(2,846)
Tax using the Group's domestic tax rates	(288)	(541)
Effects of:		
Expenses not deductible for tax purposes	79	37
Additional deduction for R&D expenditure	(729)	(648)
Surrender of losses for R&D tax credit	221	282
Depreciation in excess of capital allowances	4	4
Total taxation credit	<u>(713)</u>	<u>(866)</u>

The Group does not have any deferred tax balances which it recognises.

Factors that may affect future tax charges

The Group has £9,079k (2019 - £9,079k) of available carried forward tax losses and other tax differences. The potential deferred tax asset of £1,725k (2019 - £1,725k) has not been recognised as there is not sufficient visibility over future profits. The Company has no tax losses.

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Notes to the financial information (*continued*) For the year ended 31 December 2020

11. Intangible assets

Group	<i>Goodwill</i> £'000	<i>Publishing Rights</i> £'000	<i>Development costs</i> £'000	<i>Total</i> £'000
Cost				
At 1 January 2019	151	-	5,398	5,549
Additions	-	215	1,435	1,650
At 31 December 2019	151	215	6,833	7,199
Additions	-	99	1,416	1,515
At 31 December 2020	151	314	8,249	8,714
Amortisation				
At 1 January 2019	-	-	3,001	3,001
Charge for the period	-	53	1,651	1,704
At 31 December 2019	-	53	4,652	4,705
Charge for the period	-	184	1,512	1,696
At 31 December 2020	-	236	6,164	6,400
Net book amount				
At 1 January 2019	151	-	2,397	2,548
At 31 December 2019	151	162	2,181	2,494
At 31 December 2020	151	78	2,085	2,314

The goodwill relates to the acquisition of the Playfire Limited on 6 July 2012 and has not been impaired since acquisition. The goodwill fully relates to the one cash generating unit (CGU). The development costs relate to website development, as detailed in the accounting policies in note 2.

The Company had no intangible assets.

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Notes to the financial information (continued) For the year ended 31 December 2020

12. Property, plant and equipment

Group

	<i>Land and buildings</i>	<i>ROU lease (restated)</i>	<i>Plant, machinery & other</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Cost				
At 1 January 2019	37	1,502	302	1,841
Additions	-	-	30	30
Disposals	-	-	-	-
At 31 December 2019	37	1,502	332	1,871
Additions	-	-	19	19
Disposals	-	-	-	-
At 31 December 2020	37	1,502	351	1,890
Depreciation				
At 1 January 2019	14	657	229	900
Charge for the period	17	375	39	431
Disposals	-	-	-	-
At 31 December 2019	31	1,032	268	1,331
Charge for the period	5	375	37	417
Disposals	-	-	-	-
At 31 December 2020	36	1,407	305	1,748
Net Book Value				
At 1 January 2019	23	845	73	941
At 31 December 2019	6	470	64	540
At 31 December 2020	1	94	46	142

The Company had no property, plant and equipment.

13. Lease liability

Lease liabilities were measured in line with the provisions of IFRS16 at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019.

	<i>31 December 2020</i>	<i>31 December 2019</i>
	<i>£'000</i>	<i>£'000</i>
Lease Liability – building	<u>135</u>	<u>531</u>
Current	41	437
Non-current	94	94

The lease liabilities are unsecured.

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Notes to the financial information (continued) For the year ended 31 December 2020

13. Lease liability (continued)

Future minimum lease payments at 31 December 2020 were as follows:

	<i>Within 1 year</i>	<i>1-2 years</i>	<i>2-3 Years</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
31 December 2020				
Lease payments	94	-	-	94
Finance charges	-	-	-	-
Net present values	94	-	-	94
31 December 2019				
Lease payments	452	94	-	546
Finance charges	(15)	-	-	(15)
Net present values	437	94	-	531

14. Fixed asset investments

Company	Group undertakings £'000
<i>Cost</i>	
At 31 December 2020 (and 2019)	277

Subsidiary undertakings, associated undertakings and other investments

Company	Country of registration or incorporation	Class	Shares held	%
Green Man Gaming Ltd	England and Wales	Ordinary	100.00	
Playfire Ltd*	England and Wales	Ordinary	100.00	
Green Man Gaming US Ltd*	England and Wales	Ordinary	100.00	
Green Man Gaming Inc*	United States	Ordinary	100.00	
GMG Label Ltd*	England and Wales	Ordinary	100.00	

* These companies are held by Green Man Gaming Ltd.

The registered office address of all the group's subsidiaries incorporated in England and Wales is Level 1, Devonshire House, Mayfair Place, London, England, W1J 8AJ.

The registered Agent address of Green Man Gaming Inc is c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle, Delaware, USA.

Included within the accounts are the results of Shinebright Inc. In 2019, Shinebright Inc was formed in Hong Kong but it didn't start trading until March 2020. Shinebright Inc is considered by management as a subsidiary of Green Man Gaming Holdings Limited because of the control that management are able to exercise over this entity

Subsidiary audit exemption

In order to avail of exemption from the requirement to obtain an audit under section 479A of the Companies Act 2006, the company has guaranteed the liabilities of the following subsidiary:

Company	Registered number
Playfire Limited	06359658

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Notes to the financial information (*continued*) For the year ended 31 December 2020

15. Inventories

	<i>31 December</i> <i>2020</i>	<i>31 December</i> <i>2019</i>
	<i>£'000</i>	<i>£'000</i>
Finished goods and goods for resale	495	477
	<u>495</u>	<u>477</u>

The Company has no Inventories (2019 nil).

16. Trade and other receivables

The Group	<i>31 December</i> <i>2020</i>	<i>31 December</i> <i>2019</i>
	<i>£'000</i>	<i>£'000</i>
Amounts falling due within one year:		
Trade receivables	1,044	465
Other receivables	700	2,609
Prepayments	120	198
	<u>1,864</u>	<u>3,272</u>

The Company

	<i>31 December</i> <i>2020</i>	<i>31 December</i> <i>2019</i>
	<i>£'000</i>	<i>£'000</i>
Intercompany balances with subsidiaries	12	-
	<u>12</u>	<u>-</u>

Analysis of trade receivables

	30 days or less	31-60 days	61-90 days	90 days or more	Total Gross	Bad debt provision	Total carrying amount
31 December 2020	379	118	429	128	1,054	(10)	1,044
31 December 2019	257	167	7	44	475	(10)	465

The Group allows an average debtor payment period of 30 days after the invoice date. Historically, the need for bad debt provisions has been minimal.

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Notes to the financial information (*continued*) For the year ended 31 December 2020

17. Corporation tax receivable

	31 December 2020	31 December 2019
	£'000	£'000
Corporation tax receivable	713	870
	<u>713</u>	<u>870</u>

The Company has no corporation tax receivable (2019 – nil).

18. Cash and cash equivalents

	31 December 2020	31 December 2019
	£'000	£'000
Cash at bank and in hand	5,397	5,913
	<u>5,397</u>	<u>5,913</u>

The Company has no cash at bank and in hand (2019 – nil).

19. Trade and other payables

	31 December 2020	31 December 2019
	£'000	£'000
Amounts falling due within one year:		
Trade payables	7,413	7,614
Other taxation and social security	3,760	2,102
Accruals and other creditors	8,479	12,615
Deferred income	387	591
	<u>20,039</u>	<u>22,922</u>

Trade and other payables comprise amounts outstanding for trade purchases and on-going costs. All trade and other payables are due in less than 1 year.

The Company has no trade and other payables (2019 – nil).

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Notes to the financial information (continued) For the year ended 31 December 2020

20. Provisions

	<i>Sales Tax Provision £'000</i>
At 1 January 2020	686
Charge to Profit and Loss	(33)
At 31 December 2020	653
Due after more than one year	653

The provision was treated as exceptional items during the year ended 31 December 2018 and mainly relates to sales tax. While the Group collects and pays sales tax where necessary due to the dynamic nature of this tax in the international arena and recent cases in US tax law, the Group believes it appropriate to book a provision. The basis for the provision relates in the main to the accumulation to potential exposure from prior years where the amounts in any given year were not material and best reflects the directors' estimate of the liability at the current time. It is unclear when or if this provision will crystallise and the Group continues to review its policies around sales tax to reduce the need for any further provision going forward.

The company has nil provision (2019: £nil)

21. Borrowings

The Directors consider the carrying value of all financial liabilities to be equivalent to their fair value.

	<i>31 December 2020 £'000</i>	<i>31 December 2019 £'000</i>
Current		
Bank loans	7,413	7,614
Total borrowings	3,760	2,102

The Directors consider the carrying value of all financial liabilities to be equivalent to their fair value. The bank loan of £2,250,000 had £1,250,000 drawn down in 2020 and drawn and fully repaid in 2019, the loan had an interest rate of 6 per cent when drawn down per annum. The interest rate is 1.5% per annum when not drawn down. This loan facility expired in April 2021 and is replaced with a new £2.5m facility with similar terms.

The Company has no borrowings (2019-nil).

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Notes to the financial information (*continued*) For the year ended 31 December 2020

22. Share capital

	<i>31 December</i> <i>2020</i> <i>No.</i>	<i>31 December</i> <i>2019</i> <i>No.</i>
Allotted, called up and fully paid		
Opening number of £0.01 ordinary shares	27,741,000	27,741,000
Shares issued during the year at £0.01	60,000	-
Closing number of £0.01 ordinary shares	<u>27,801,000</u>	<u>27,741,000</u>
	<i>31 December</i> <i>2020</i> <i>£</i>	<i>31 December</i> <i>2019</i> <i>£</i>
Allotted, called up and fully paid		
Opening share capital	277	277
Shares issued during the year at £0.01	1	-
Closing share capital	<u>278</u>	<u>277</u>

The Company has two classes of ordinary share with a nominal value of £0.01 each. The shares have attached to them full voting and dividend rights.

	<i>31 December</i> <i>2020</i> <i>No.</i>	<i>31 December</i> <i>2019</i> <i>No.</i>
Ordinary Shares at £0.01 each	14,167,125	14,107,125
A Ordinary Shares at £0.01 each	13,633,875	13,633,875
	<u>27,801,000</u>	<u>27,741,000</u>

23. Reserves

Merger reserve

The merger reserve is based on accounting principles for the Parent Company incorporation combination, being the difference between the nominal value of new shares issued by the Parent Company for the acquisition of the shares of the subsidiary and the subsidiary's own share capital and share premium account.

Share based payment reserve

This reserve relates to amounts recognised for the fair value of share options granted in accordance with IFRS 2.

Retained losses

Includes all retained profits and losses.

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Notes to the financial information (continued) For the year ended 31 December 2020

24. Share based payments

Share options

Green Man Gaming Holdings plc operates an equity-settled share-based remuneration scheme for employees of the Group, all of whom are employed by Green Man Gaming Ltd. All employees are eligible to participate in the long-term incentive scheme, the only vesting condition being that the individual remains an employee of the group over the three-year vesting period, with one third of the options issued each time vesting every 12 months from grant.

Details for the share options granted, exercised, lapsed and outstanding at the end of each year are as follows:

	Number of share options 2020	Weighted average exercise price 2020	Number of share options 2019	Weighted average exercise price 2019
Outstanding at beginning of year	4,843,725	£0.16	5,064,975	£0.16
Granted during the year	865,000	£0.19	-	-
Forfeited/lapsed during the year	(30,000)	(£0.19)	(221,250)	(£0.19)
Exercised during the year	60,000	(£0.19)	-	(£0.19)
Conversion during the year	-	-	-	-
Outstanding at end of the year	5,618,725	£0.16	4,843,725	£0.16
Exercisable at end of the year	4,616,239	£0.16	4,452,292	£0.16

The amount expensed per period was £271,000 (2019: £34,000)

The exercise price of options outstanding at the end of the three years ranged between £0.01 and £0.19 and their weighted average contractual life was 3.0 years. (2019 £0.01 and £0.19.)

The share-based payment charges are based on the fair value of share options, measured using the Black-Scholes model, with the following inputs:

Date of Grant	2020	2019	2018
Fair value of the shares of the Company at grant date	£0.83	n/a	£0.83
Exercise price	£0.19	n/a	£0.19
Expected option life	730 days	n/a	769 days
Expected volatility	20%	n/a	20%
Expected dividend growth rate	0%	n/a	0%
Risk free interest rate	4%	n/a	4%

The Black-Scholes option pricing model was used to value the share-based payment awards as it was considered that this approach would result in materially accurate estimate of the fair value of options granted.

The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of daily share prices over the last three years of comparable publicly quoted companies.

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Notes to the financial information (*continued*) For the year ended 31 December 2020

25. Commitments and contingences

There were no capital commitments at 31 December 2020, 31 December 2019 and 31 December 2018.

26. Financial instruments – classification and measurement

Financial assets

Financial assets measured at amortised cost comprise trade receivables, other receivables and cash, as follows:

	<i>31 December</i> <i>2020</i>	<i>31 December</i> <i>2019</i>
	<i>£'000</i>	<i>£'000</i>
Trade receivables	1,044	465
Other receivables	676	2,609
Cash at bank	5,397	5,913
	<u>7,117</u>	<u>8,987</u>

Financial liabilities

Financial liabilities measured at amortised cost comprise trade payables, accruals and other creditors and bank loans, as follows:

	<i>31 December</i> <i>2020</i>	<i>31 December</i> <i>2019</i>
	<i>£'000</i>	<i>£'000</i>
Trade payables	7,413	7,614
Accruals and other creditors	12,355	13,340
Bank loans	1,250	-
Lease Liabilities	135	531
	<u>21,153</u>	<u>21,485</u>

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Notes to the financial information (*continued*) For the year ended 31 December 2020

27. Financial instruments – risk management

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including cash flow interest rate risk), liquidity risk, credit risk and foreign exchange risk. Risk management is carried out by the board of directors. The Group uses financial instruments to provide flexibility regarding its working capital requirements and to enable it to manage specific financial risks to which it is exposed.

(a) Market risk

i. Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest bearing assets including cash and cash equivalents are considered to be short-term liquid assets. It is the Group's policy to settle trade payables within the credit terms allowed and the Group does therefore not incur interest on overdue balances. As the interest rates on the bank loan are a fixed 6% per annum when drawn down and 1.5% per annum when not drawn down, interest rate risk is considered to be very low and no sensitivity analysis has been prepared as the impact on the financial statements would not be significant.

The interest rate profile of the Group's borrowings is shown below:

Interest rate profile of interest bearing borrowings

	31 December 2020		31 December 2019	
	£'000		£'000	
	Debt	Interest rate	Debt	Interest rate
Fixed rate borrowings				
Bank loans	1,250	6%	1,000	6%
Weighted average cost of fixed rate borrowings	1,250	6%	1,000	6%

(b) Liquidity risk

The Group seeks to maintain sufficient cash balances. Management reviews cash flow forecasts on a regular basis to determine whether the Group has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities.

A maturity analysis of the Group's borrowings is shown below:

	31 December 2020	31 December 2019
	£'000	£'000
Less than one year	1,250	-
One to two years	-	-
Two to five years	-	-
	1,250	-

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Notes to the financial information (*continued*) For the year ended 31 December 2020

27. Financial instruments – risk management (*continued*)

(b) Liquidity risk (*continued*)

A maturity analysis of the Group's trade and other payables is shown below:

	31 December 2020	31 December 2019
	£'000	£'000
Less than one year	20,039	22,922
One to two years	-	-
Two to five years	-	-
	20,039	22,922

Capital risk management

The Group is both equity and debt funded and these two elements combine to make up the capital structure of the business. Equity comprises share capital, share premium and retained losses and is equal to the amount shown as 'Equity' in the balance sheet. Debt comprises various items which are set out in further detail above and in note 21.

The Group's current objectives when maintaining capital are to:

- Safeguard the Group's ability as a going concern so that it can continue to pursue its growth plans.
- Provide a reasonable expectation of future returns to shareholders.
- Maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt.

During the year ended 31 December 2020, the Group's strategy remained unchanged.

(c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. In order to minimise the risk, the Company endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored. The maximum exposure to credit risk is the carrying value of its financial receivables, trade and other receivables and cash and cash equivalents as disclosed in the notes.

The Company does not consider that there is any concentration of risk within either trade or other receivables and any debt bad provisions in the years presented are not for significant amounts. The Group holds no collateral or other credit enhancements. The receivables' age analysis is also evaluated on a regular basis for potential doubtful debts. It is the Directors' opinion that no further provision for doubtful debts is required.

Credit risk on cash and cash equivalents is considered to be very low as the counterparties are all substantial banks with high credit ratings.

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Notes to the financial information (*continued*) For the year ended 31 December 2020

27. Financial instruments – risk management (*continued*)

(d) Foreign currency risk

Foreign currency risk refers to the risk that the value of a financial commitment or recognised asset or liability will fluctuate due to changes in foreign exchange rates. The Group is also exposed to foreign exchange risk as a result of transactions denominated in US Dollars and Euros. The Group maintains bank accounts in US Dollars and Euros in order to mitigate this risk and the net foreign currency risk is monitored regularly by the Group.

All assets and liabilities other than cash, trade receivables and trade payables are held in sterling. Please see breakdown of assets and liabilities held foreign currencies below.

Cash

	<i>31 December</i> <i>2020</i>	<i>31 December</i> <i>2019</i>
	£'000	£'000
GBP	1,738	1,843
USD	2,857	1,709
EUR	779	2,347
Other	23	14
	<u>5,397</u>	<u>5,913</u>

Trade Receivables

	<i>31 December</i> <i>2020</i>	<i>31 December</i> <i>2019</i>
	£'000	£'000
GBP	80	79
USD	388	3
EUR	576	383
	<u>1,044</u>	<u>465</u>

Trade Payables

	<i>31 December</i> <i>2020</i>	<i>31 December</i> <i>2019</i>
	£'000	£'000
GBP	2,298	2,013
USD	3,336	4,544
EUR	1,779	1,057
	<u>7,413</u>	<u>7,614</u>

28. Related party transactions

There is no ultimate controlling party.

Green Man Gaming Holdings Ltd (Formerly Green Man Gaming Holdings plc)

Notes to the financial information (*continued*) For the year ended 31 December 2020

29. Reconciliation of liabilities arising from financing activities

	<i>31 December</i> <i>2019</i>	<i>Cash flows</i>	<i>Non-cash</i> <i>changes</i>	<i>31 December</i> <i>2020</i>
	£'000	£'000	£'000	£'000
Short-term borrowings	-	(1,250)	-	(1,250)
Total liabilities from financing activities	-	(1,250)	-	(1,250)

	<i>31 December</i> <i>2018</i>	<i>Cash flows</i>	<i>Non-cash</i> <i>changes</i>	<i>31 December</i> <i>2019</i>
	£'000	£'000	£'000	£'000
Short-term borrowings	1,000	(1,000)	-	-
Total liabilities from financing activities	1,000	(1,000)	-	-