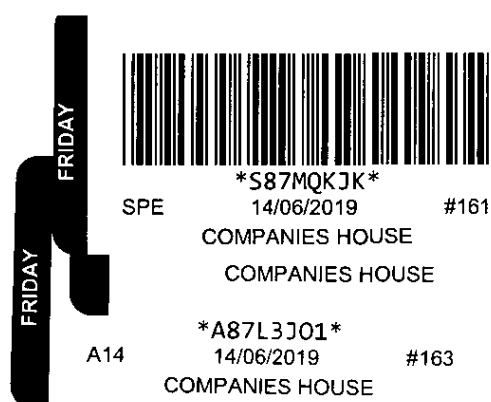


Registered number: 11079110

WINIT365 GROUP PLC

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**



WINIT365 GROUP PLC

COMPANY INFORMATION

DIRECTORS

Michael Hirschfield
Damion Greef (appointed 9 February 2018)
Carl Dyrendahl-Nyblin (appointed 9 February 2018)

Company Secretary

Kitwell Administration Limited

COMPANY NUMBER

11079110

REGISTERED OFFICE

The Annexe, The Gables
Potters Green
Ware
SG12 0JU

AUDITORS

Grant Thornton UK LLP
Chartered Accountants and Statutory Auditor
The Colmore Building
20 Colmore Circus
Birmingham
B4 6AT

BANKERS

Lloyds Bank plc
15 Blackheath Village
London
SE3 9LH

WINIT365 GROUP PLC

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WINIT365 GROUP PLC

DIRECTORS' REPORT

The Directors present their report and the financial statements for the period from incorporation on 23 November 2017 to 31 December 2018.

ACTIVITIES

The principal activity of the Company is that of a Group holding company. The Company has one wholly owned subsidiary, WINIT365 Limited and its activities consist of the development and exploitation of online multi-player games, the first of which is a skill based game of Mahjong.

RESULTS AND DIVIDENDS

The loss after tax for the period was £888,603.

The Board has neither proposed nor paid any dividend in 2018.

DIRECTORS

The Directors who served during the year and subsequently were as follows:

Michael Hirschfield

Damion Greef (appointed 9 February 2018)

Carl Dyrendahl-Nyblin (appointed 9 February 2018)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Director's 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 (IFRS) as adopted by the European Union and to prepare the parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS101 'Reduced Disclosure Framework'. 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 and the profit or loss of the company and group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed for the Group financial statements and whether applicable UK accounting standards have been followed for the parent company financial statements, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GOING CONCERN

These financial statements have also been prepared on a going concern basis. The Group is preparing for a listing on a recognised exchange during 2019, at which time it is proposing to raise additional capital. The Group's first online game is nearly complete and it is anticipated that it will start to generate initial income during this calendar year. The Board has prepared financial projections covering a two year period to 31 December 2020. These projections include committed capital injections from existing shareholders but do not include an anticipated injection of cash from an issue of new equity capital on an Initial Public Offering nor any potential income generated during the review period. The capital injections assumed from shareholders are subject to an application for listing being submitted, which is deemed to be within the Group's control. The forecasts have been prepared on the basis that only minimal costs will be incurred to keep the Group operational. Should the Group be unable to continue in business as a going concern, adjustments would have to be made to reclassify non-current assets as current assets, to reduce the value of assets to their recoverable amounts and to provide for any further liabilities that might arise.

FUTURE DEVELOPMENTS

The Board are in the process of completing the development of the Mahjong Game and have applied for a gaming licence from the Alderney Gambling Control Commission to enable it to market the game in its target markets. Once the Mahjong Game has been completed and the licence obtained, the Group's parent, WINIT365 Group plc intends to seek a listing on a recognised stock exchange.

FINANCIAL RISK MANAGEMENT

The Group's financial risk policies are set out in note 13.

POST BALANCE SHEET EVENTS

Post balance sheet events are disclosed in note 15.

DISCLOSURE OF INFORMATION TO THE AUDITOR

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Group's auditor is unaware, and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

AUDITOR

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the Company has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



Damion Greef
Chairman
12 June 2019

WINIT365 GROUP PLC

Independent auditor's report to the members of WINIT365 Group plc

Opinion

We have audited the financial statements of Winit365 Group Plc (the 'parent company') and its subsidiaries (the 'group') for the period from 23 November 2017 to 31 December 2018, which comprise the Group Statement of Total Comprehensive Income, the Group and parent company Statement of Financial Position, the Group and parent company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in 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 2018 and of the group's loss for the period 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.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matter on which we are required to report under the Companies Act 2006

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 directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

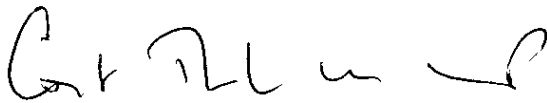
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



David White BA FCA

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Birmingham

Date: 12/6/19

WINIT365 GROUP PLC**GROUP STATEMENT OF TOTAL COMPREHENSIVE INCOME****FOR THE PERIOD ENDED 31 DECEMBER 2018**

	Note	Period ended 31 December 2018 €
Share based payments charge	12	(273,597)
Administrative expenses	3	(615,006)
LOSS FROM OPERATIONS BEFORE TAXATION	3	(888,603)
Income tax expense	6	-
LOSS FOR THE PERIOD AND TOTAL COMPREHENSIVE INCOME		(888,603)
Basic loss per share	7	€(0.0715)

All amounts relate to continuing operations.

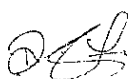
There was no other comprehensive income other than that included in the Income Statement.

The notes on pages 11 to 22 form part of these financial statements.

WINIT365 GROUP PLC**GROUP STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2018**

	Note	2018 €
FIXED ASSETS		
Intangible assets	8	2,013,585
		2,013,585
CURRENT ASSETS		
Trade and other receivables	9	29,634
Cash and cash equivalents		115,538
		145,172
CURRENT LIABILITIES		
Trade and other payables	10	(49,144)
NET CURRENT ASSETS		96,028
TOTAL ASSETS LESS CURRENT LIABILITIES AND NET ASSETS		2,109,613
CAPITAL AND RESERVES		
Called up share capital	11	100,001
Share premium reserve	11	1,252,560
Acquisition reserve		1,372,058
Share based payment reserve	12	273,597
Accumulated losses		(888,603)
TOTAL EQUITY		2,109,613

Approved and authorised for issue by the board of directors on 12 June 2019

**Damion Greef**
Director**Michael Hirschfield**
Director

The notes on pages 11 to 22 form part of these financial statements.

WINIT365 GROUP PLC

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2018

	Called up share capital €	Share premium reserve €	Acquisition reserve €	Share based payments €	Profit and loss account €	Total equity €
Total comprehensive income:						
Loss for the period	-	-	-	-	(888,603)	(888,603)
Transactions with owners:						
Share based payments	-	-	-	273,597	-	273,597
Issuance of shares – subsidiary acquisition	92,560	-	1,372,058	-	-	1,464,618
Grant of warrant	-	10,000	-	-	-	10,000
Issuance of shares – cash consideration	7,441	1,242,560	-	-	-	1,250,001
At 31 December 2018	100,001	1,252,560	1,372,058	273,597	(888,603)	2,109,613

The notes on pages 11 to 22 form part of these financial statements.

WINIT365 GROUP PLC**GROUP STATEMENT OF CASH FLOWS****FOR THE PERIOD ENDED 31 DECEMBER 2018**

	2018 €
OPERATING ACTIVITIES	
Loss before tax	(888,603)
Share based payment	273,597
Increase in trade and other receivables	(29,634)
Increase in trade and other payables	49,144
Net cash used in operating activities	(595,496)
INVESTING ACTIVITIES	
Payment of software development costs	(1,174,967)
Net cash used in investing activities	(1,174,967)
FINANCING ACTIVITIES	
Proceeds from issue of share capital	1,876,001
Proceeds from grant of warrant	10,000
Net cash from financing activities	1,886,001
Net change in cash and cash equivalents	115,538
Cash and cash equivalents at start of period	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	115,538

The notes on pages 11 to 22 form part of these financial statements.

WINIT365 GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

1. CORPORATE INFORMATION

The Company is a public company incorporated in England and Wales with limited liability. The address of the registered office and principal place of business of the Company is The Annexe, The Gables, Potters Green, Ware SG12 0JU.

The operations of the Company are those of a Group holding company. The Company has one wholly owned subsidiary, WINIT365 Limited and its activities consist of the development and exploitation of online multi-player games, the first of which is a skill based game of Mahjong.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements for the Company and its subsidiary (together, the "Group") have been prepared in compliance with IFRSs as adopted by the EU and on the historical cost basis. Historical cost is generally based on the fair value of consideration given in exchange for assets. Separate financial statements of the Company have been prepared on pages 23 to 32 under the historic cost convention and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

The financial information is presented in Euros (€) except where otherwise indicated.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Going concern

These financial statements have also been prepared on a going concern basis. The Group is preparing for a listing on a recognised exchange during 2019, at which time it is proposing to raise additional capital. The Group's first online game is nearly complete and it is anticipated that it will start to generate initial income during this calendar year. The Board has prepared financial projections covering a two year period to 31 December 2020. These projections include committed capital injections from existing shareholders but do not include an anticipated injection of cash from an issue of new equity capital on an Initial Public Offering nor any potential income generated during the review period. The capital injections assumed

from shareholders are subject to an application for listing being submitted, which is deemed to be within the Group's control. The forecasts have been prepared on the basis that only minimal costs will be incurred to keep the Group operational. Should the Group be unable to continue in business as a going concern, adjustments would have to be made to reclassify non-current assets as current assets, to reduce the value of assets to their recoverable amounts and to provide for any further liabilities that might arise.

Basis of consolidation

The Group financial statements consolidate those of the Company and its subsidiary undertaking drawn up to the statement of financial position date. Subsidiaries are entities which are controlled by the Group. Control is achieved when the Group has power over the investee, has the right to variable returns from the investee and has the power to affect its returns. The Group obtains and exercises control through voting rights and control is reassessed if there are indications that the status of any of the three elements have changed.

Unrealised gains on transactions between the Company and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

On 20 April 2018 the Company entered into a share exchange agreement with the shareholders of WINIT365 Limited and issued 18,511,990 ordinary shares of €0.005 each at €0.1081 each in exchange for the entire issued share capital of WINIT365 Limited. The transaction has therefore been treated for accounting purposes as a share for share exchange and as a reverse acquisition.

This transaction falls outside the scope of IFRS 3 ('Business Combinations'), because it does not represent a business combination as the legal parent is a shell company and therefore is not considered a business, but the Group has adopted certain of the requirements of IFRS 3 in accounting for the reverse acquisition. The accounting policy adopted is set out below.

The consolidated financial statements are presented as a continuation of the financial statements of the private operating entity WINIT365 Limited. The assets and liabilities of WINIT365 Group plc have been recognised at fair value at the acquisition date.

The share capital and share premium represent the equity structure of the legal parent including the equity instruments issued by the legal parent to effect the transaction. This has been effected by the creation of another reserve to reflect the reverse acquisition.

Operating income and charges

All expenses are accounted for on an accruals basis.

Foreign currency transactions

The Group's financial statements are presented in Euros which is considered to be the functional currency. Foreign exchange risk arises where the Group enters into transactions denominated in a currency other than the functional currency. The Group is predominantly exposed to ongoing currency risk on Sterling based transactions with UK based professional advisors and associated expenses. The Group holds a balance of cash in a Sterling based bank account to cover these costs and transfers funds from its Euro account on an *ad hoc* basis. During the period expenses with a value of £349,501 (€401,400) were paid to UK based third party suppliers out of a total €1,778,473 of expenses incurred during the period.

Taxation

The current tax charge or credit represents the expected tax payable or recoverable on the taxable result for the period. Taxable profit differs from profit or loss as reported in the consolidated statement of profits or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that are enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the calculation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

No deferred tax asset has been recognised in respect of the accumulated tax losses at the end of the period as the directors consider that the Company was at a stage of development which is too early to determine the future profitability of the project.

Share based payments

The Company has issued equity-settled share warrants as disclosed in Note 12, which are measured at fair value and recognised as an expense in the income statement with a corresponding increase in reserves. The fair values of the warrants are measured at the dates of grant, taking into account the terms and conditions upon which the awards are granted using the Black Scholes Method, an industry accepted simulation model. The fair value is recognised over the period during which warrant holders become conditionally entitled to the awards, subject to the Company's estimate of the number of awards which will lapse, either due to employees leaving the Company prior to vesting or due to non-market based performance conditions not being met. The total amount recognised in the income statement as an expense is adjusted to reflect the actual number of awards that vest.

Intangible assets

Software licences

Separately acquired software licences are shown at historical cost. Licences (including software) acquired in a business combination are recognised at fair value at the acquisition date, unless fair value cannot be measured reliably without undue cost or effort. These licences have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of licences over their estimated useful lives, which for the Mahjong gaming software is considered to be three years.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three years. No amortisation has been recorded during the current financial period as the Mahjong Game has yet to be launched and so the software has not yet been brought into operation.

Research and development costs

Costs directly relating to the development of software products are capitalised and disclosed as an intangible asset once the Company has determined that:

- the product is technically and commercially feasible. For products developed via proven game engine technology and Random Number Generation software, this may occur at an early stage of the development cycle;
- the project is clearly defined and associated costs are separately identifiable;
- future revenues are expected to exceed current and future costs of the project; and
- the Company has the intention, ability and resources to complete development of the product.

Capitalised development expenditure for each product is reviewed at the end of each accounting period and where circumstances which have justified the initial capitalisation of the expenditure, as described above, are considered doubtful or no longer apply, the previously capitalised development expenditure is immediately impaired to the extent necessary.

All other research and development costs are recognised as an expense.

Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are measured at amortised cost. A loss provision is recognised based on the lifetime expected loss of trade receivables, being the expected shortfalls in contractual cash flows, taking into account the potential for default at any point during the life of the receivable.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Significant judgments and estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may be different from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Estimates

Share warrants (note 12)

The fair value of services received in return for warrants granted is measured by reference to the fair value of warrants granted. The estimate of fair value is measured using the Black-Scholes model. The use of a valuation model such as this involves making certain assumptions around the inputs into the model. There is also uncertainty around the number of shares likely to vest and the model therefore takes into account management's best estimate of this.

Judgments

Deferred tax (note 6)

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties. The Group has significant tax losses but does not anticipate sufficient taxable profits to arise in the foreseeable future in order to utilise these losses, and as a result the directors' judgment is that no deferred tax asset should be recognised.

Capitalised intangible assets (note 8)

The directors have considered the carrying value of the level of capitalised software development costs held as an intangible asset and are confident that the projected future cash generation and / or the potential disposal value support the current carrying value. Based on current negotiations there are no indications of impairment.

There are no other significant judgments or estimates considered to have an impact on the financial statements in the current period.

Standards and amendments to IFRS not yet effective and not adopted by the Company

As this is the Company's first published accounts since incorporation there are no newly adopted accounting policies having an impact on historical results for prior periods. The directors do not believe that any new accounting standards which are not yet effective will have any impact on the accounting policies of the Company.

3. LOSS

The loss for the year is stated after charging:

	2018 €
Administrative expenses:	
- Share based payments charge	273,597
Audit fees	28,750
Tax compliance fees (payable to the auditors)	6,000
Listing preparation (payable to the auditors)	45,838

4. SEGMENTAL INFORMATION

The Group is managed as a single division, providing development of online multi-player games. The financial information reviewed by the board is the same as that reported under IFRS in the current period. The company only operates in the United Kingdom.

The Group is not currently generating revenue and as such there is no one customer contributing greater than 10% of the company's revenues.

5. DIRECTORS' REMUNERATION AND STAFF COSTS

The Directors serving during the period received aggregate remuneration of €157,992 for services to the Group. Each of the directors provided their services through a service company.

The Group does not employ any other staff.

6. TAXATION

No provision for taxation has been made as the Group did not generate any assessable profits during the period. No deferred tax asset has been recognised in respect of the losses and temporary differences due to the unpredictability of future revenue streams. Such losses may be carried forward indefinitely.

The current tax charge for the year can be reconciled to the loss per the statement of comprehensive income as follows:

	2018 €
Analysis of charge in the period	
Current tax:	
UK corporation tax on profits of period	-
Adjustments in respect of previous periods	-
Total tax charge	-

Factors affecting tax charge for the period

The tax assessed for the period is different to the standard rate of corporation tax in the UK of 19.00%. The differences are explained below:

Loss on ordinary activities before taxation	(888,603)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00%	(168,835)
Effects of:	
Expected future rate charges	17,772
Trading losses on which no deferred tax is recognised	151,063
Total tax charge for period	-

Factors that may affect future tax charges

A reduction in the corporation tax rate to 19% from 1 April 2017 was enacted during 2015, with a further reduction to 17% due to take place with effect from 1 April 2020, announced in 2016. The closing unrecognised deferred tax asset of €151,063 reflects these future rate changes.

7. LOSS PER SHARE

Basic earnings per share are calculated by dividing the net loss for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

The following reflects the income and share data used to calculate the basic earnings per share. Given the net loss incurred during the period no diluted earnings per share is calculated.

	2018 €
Net losses from continuing operations attributable to ordinary shareholders	(888,603)
Weighted average number of ordinary shares for basic earnings per share	12,430,096
Basic (loss) per share	€(0.0715)

No diluted loss per share disclosure is made as the impact of losses on share warrants is anti-dilutive.

8. INTANGIBLE ASSETS

On 5 March 2018 the Group completed a transaction to secure the Intellectual Property ("IP") for historical development work undertaken by Philip Danielsson and his development company Trodon IT. The consideration for this transaction was the issue of 38,800,000 new ordinary shares. The Company plans to launch the Mahjong Game in the near future.

The consideration shares were issued at a price of €0.0216 each making the total consideration €838,618. This value has been recorded as an intangible asset. Since acquisition, the Company has capitalised an additional €1,174,967 of development costs during the period to bring the software towards use. The directors do not consider that the value of the IP has deteriorated and

so no provision has been made for impairment and since the asset is not currently ready for use no amortisation has been charged in the period

	Software IP Rights €
On incorporation	-
Acquired through business combinations	838,618
Software development costs	1,174,967
At 31 December 2018	2,013,585

The Company has one wholly owned subsidiary, WINIT365 Limited, which is incorporated in England and Wales and has been included in these consolidated financial statements.

9. TRADE AND OTHER RECEIVABLES

	2018 €
VAT recoverable	9,634
Other debtors	20,000
	29,634

Trade and other receivables are all current and there are no provisions for impairment against any of the balances. Trade and other receivables are classified as financial assets measured at amortised cost.

10. TRADE AND OTHER PAYABLES

	2018 €
Trade payables	14,394
Accruals and deferred income	34,750
	49,144

Trade and other payables are all current and there are no provisions for impairment against any of the balances. Trade and other payables are classified as financial liabilities measured at amortised cost.

11. SHARE CAPITAL

		Share Capital €	Share Premium €	Acquisition Reserve €	Share based Payment Reserve €
Allotted, called up and fully paid					
Ordinary shares of €0.005					
On incorporation	200 shares	1	-	-	-
At 31 December 2018	20,000,286 shares	100,001	1,252,560	1,372,058	273,597

On incorporation on 23 November 2017, the Company allotted 200 ordinary shares of €0.005 each at par to Michael Hirschfield to hold in trust for the shareholders of WINIT365 Limited in proportion to their interests in WINIT365 Limited.

On 20 April 2018 the trust shares held by Michael Hirschfield were transferred to the underlying beneficial owners.

On 20 April 2018 the Company entered into a share exchange agreement with the shareholders of WINIT365 Limited and issued 18,511,990 ordinary shares of €0.005 each in exchange for the entire issued share capital of WINIT365 Limited.

On 21 April 2018 the Company issued 595,239 ordinary shares of €0.005 each for €500,000 cash pursuant to a subscription agreement.

On 3 July 2018, the Company issued 297,619 ordinary shares of €0.005 each for €250,000 cash pursuant to a subscription agreement.

On 26 July 2018, the Company issued 297,619 ordinary shares of €0.005 each for €250,000 cash pursuant to a subscription agreement.

On 30 August 2018, the Company issued 297,619 ordinary shares of €0.005 each for €250,000 cash pursuant to a subscription agreement.

12. SHARE WARRANTS

On 20 March 2018, the Company sold a warrant over 500,000 ordinary shares of €0.005 each at an exercise price of €0.40 each for a consideration of €10,000 in cash. The warrant vested with immediate effect and will terminate, if not previously exercised, on the earlier of 20 March 2020 and the date the Company's shares are admitted to trading on the Nasdaq First North Exchange.

The Company has calculated a share based payment charge of €227,750 based on the Black Scholes method using a risk-free rate of return of 0.914% and a share price volatility of 50%. The expectation is that these warrants will be exercised fourteen months after grant. During the period all of this share based payment charge was recognised as the warrant vested immediately.

On 25 April 2018, the Company granted warrants over 420,000 ordinary shares of €0.005 each at an exercise price of €0.84 to each of Damion Greef and Michael Hirschfield. These warrants will vest on the date the Company's shares are admitted to trading on the Nasdaq First North Exchange and will expire, if not previously exercised, on the third anniversary of admission to trading on the Nasdaq First North Exchange.

The Company has calculated a share based payment charge of €140,406 in respect of each of Mr Greef and Mr Hirschfield, based on the Black Scholes method using a risk-free rate of return of 0.914% and a share price volatility of 50%. The expectation is that these warrants will be exercised in May 2022, approximately three years after the original anticipated listing of the Company's shares on Nasdaq First North.

13. CAPITAL MANAGEMENT

The capital structure of the Group currently comprises of cash and equity attributable to equity holders of the Group, comprising issued capital as disclosed in the statement of financial position.

The Group's objective when managing capital is to provide sufficient resources to allow the continued investment in its Mahjong game and in new products in the future and to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders.

The Group is not subject to externally imposed capital requirements.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Cash and cash equivalents
- Trade and other payables

The Group held the following financial assets at the period end:

	2018 €
Financial assets	
Loans and receivables at amortised cost	20,000
Cash and cash equivalents	115,538
	135,538

The Group held the following financial liabilities at the period end:

	2018 €
Financial liabilities at amortised cost	
Trade and other payables	49,144
	49,144

Fair value of financial instruments

The fair value of the financial instruments set out above is not materially different to the book value.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

All financial instruments are level 1.

Financial risk management

The Group is exposed through its operations to the following financial risks:

- Liquidity risk
- Foreign currency risk

The Company's policy for financial risk management are outlined below

Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring both forecast as well as actual cash flows to enable matching of the maturity profiles of financial assets and liabilities. Sufficient cash is retained to service short-term financing needs. Liquidity risk is managed through regular senior review of performance versus an *integrated profit and loss, balance sheet and cash flow model*. *Sensitivities are applied to this model to ensure the Group has early warning of any manifestation of liquidity risk and communicate any such risk to investors in a timely and accurate manner so as to manage liquidity risk comprehensively and effectively.* Contractual undiscounted cash flows payable under financial liabilities includes principal only cash flows in respect of trade and other payables.

Foreign currency risk management

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which purchases and bank balances are denominated and the functional currency. The functional currency of the Company is Euros. The Company did not take out any forward exchange contracts during the period.

Sensitivity analysis

A 10% strengthening or weakening of the exchange rate between Euros and Sterling would have significantly affected profit or loss and equity by the amounts shown below. The analysis assumes that all other variables, including interest rates, remain constant.

	Impact on loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
As at 31 December 2018				
Sterling (10% movement)	36,491	(44,600)	(1,855)	2,267

14. COMPARATIVE FIGURES

This is the first period of trading since incorporation and so there are no comparative figures presented.

15. POST BALANCE SHEET EVENTS

On 2 April 2019 the Company entered into subscription agreements with two substantial shareholders under which they each immediately subscribed for 750,000 new ordinary shares of €0.005 each at a price of €0.40 per share, raising in aggregate €600,000. The two shareholders also entered into deferred subscription agreements to make further identical subscriptions once the company has made an application for listing.

16. RELATED PARTY TRANSACTIONS

Michael Hirschfield, a director of the company, is the beneficial owner of Kitwell Administration Limited which provides Company Secretarial, accounting and general business administration services to the Group and through which Mr Hirschfield's director's fees are paid. Kitwell Administration Limited charged €93,043 (£82,000) for its services during the 16 month period. Of this sum, €36,288 (£32,000) represents directors fees (see note 5), €54,432 (£48,000) represents Company Secretarial, accounting and business administration and the balance of €2,323 (£2,000) represents other costs and expenses. There is no balance outstanding as at 31 December 2018.

17. ULTIMATE CONTROLLING PARTY

The directors consider that there is no ultimate controlling party by virtue of the fact that no shareholder holds a majority shareholding.

18. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements set out on pages 3 to 14 were approved and authorised for issue by the board of directors on 12 June 2019.

Registered number: 11079110

WINIT365 GROUP PLC

COMPANY STATUTORY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018



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14/06/2019
COMPANIES HOUSE

#189

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure framework' (FRS 101) and on the historical cost basis. Historical cost is generally based on the fair value of consideration given in exchange for assets. The financial information is presented in Euros (€) except where otherwise indicated.

The preparation of financial statements in conformity with FRS 101 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Financial Reporting Standard 101 – reduced disclosure exemptions

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined).
- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cashflow statements);
 - 38B–D (additional comparative information);
 - 111 (cash flow statement information); and
 - 134–136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a Group.

Going concern

These financial statements have also been prepared on a going concern basis. The Company is preparing for a listing on a recognised exchange during 2019, at which time it is proposing to raise additional capital. The Company's first online game is nearly complete and it is anticipated that it will start to generate initial income during this calendar year. The Board has prepared financial projections covering a two year period to 31 December 2020. These projections include committed capital injections from existing shareholders but do not include an anticipated injection of cash from an issue of new equity capital on an Initial Public Offering nor any potential income generated during the review period. The capital injections assumed from shareholders are subject to an application for listing being submitted, which is deemed to be within the Company's control. The forecasts have been prepared on the basis that only minimal costs will be incurred to keep the Company operational. Should the Company be unable to continue in business as a going concern, adjustments would have to be made to reclassify non-current assets as current assets, to reduce the value of assets to their recoverable amounts and to provide for any further liabilities that might arise.

The principal accounting policies adopted are set out below.

Operating income and charges

All expenses are accounted for on an accruals basis.

Foreign currency transactions

The Group's financial statements are presented in Euros which is considered to be the Company's functional currency.

Taxation

The current tax charge or credit represents the expected tax payable or recoverable on the taxable result for the period. Taxable profit differs from profit or loss as reported in the consolidated statement of profits or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that are enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the calculation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

No deferred tax asset has been recognised in respect of the accumulated tax losses at the end of the period as the directors consider that the Company was at a stage of development which is too early to determine the future profitability of the project.

Share based payments

The Company has issued equity-settled share warrants as disclosed in Note 12, which are measured at fair value and recognised as an expense in the income statement with a corresponding increase in reserves. The fair values of the warrants are measured at the dates of grant, taking into account the terms and conditions upon which the awards are granted using the Black Scholes Method, an industry accepted simulation model. The fair value is recognised over the period during which warrant holders become conditionally entitled to the awards, subject to the Company's estimate of the number of awards which will lapse, either due to employees leaving the Company prior to vesting or due to non-market based performance conditions not being met. The total amount recognised in the income statement as an expense is adjusted to reflect the actual number of awards that vest.

Investment in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are measured at amortised cost. A loss provision is recognised based on the lifetime expected loss of trade receivables, being the expected shortfalls in contractual cash flows, taking into account the potential for default at any point during the life of the receivable.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Significant judgments and estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may be different from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Estimates

Share warrants (note 5)

The fair value of services received in return for warrants granted is measured by reference to the fair value of warrants granted. The estimate of fair value is measured using the Black-Scholes model. The use of a valuation model such as this involves making certain assumptions around the inputs into the model. There is also uncertainty around the number of shares likely to vest and the model therefore takes into account management's best estimate of this.

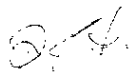
WINIT365 GROUP PLC

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Note	2018 €
FIXED ASSETS		
Investment in subsidiaries	1	1,616,157
		1,616,157
CURRENT ASSETS		
Trade and other receivables	2	10,000
Cash and cash equivalents		1
		10,001
CURRENT LIABILITIES		
Trade and other payables	3	(11,500)
NET CURRENT LIABILITIES		(1,499)
TOTAL ASSETS LESS CURRENT LIABILITIES AND NET ASSETS		1,614,658
CAPITAL AND RESERVES		
Called up share capital	4	100,001
Share premium reserve	4	1,252,560
Share based payment reserve	4	273,597
Accumulated losses		(11,500)
TOTAL EQUITY		1,614,658

Approved and authorised for issue by the board of directors on 12 June 2019.



Damion Greef
Director



Michael Hirschfield
Director

The notes on pages 30 to 32 form part of these financial statements

WINIT365 GROUP PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2018

	Called up share capital €	Share premium reserve €	Share based payments €	Profit and loss account €	Total equity €
Total comprehensive income:					
Result for the period	-	-	-	(11,500)	(11,500)
Transactions with owners:					
Share based payments	-	-	273,597	-	273,597
Issuance of shares – subsidiary acquisition	92,560	-	-	-	92,560
Grant of warrant	-	10,000	-	-	10,000
Issuance of shares – cash consideration	7,441	1,242,560	-	-	1,250,001
At 31 December 2018	100,001	1,252,560	273,597	(11,500)	1,614,658

The notes on pages 30 to 32 form part of these financial statements

WINIT365 GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

1. FIXED ASSET INVESTMENTS

	2018 €
Investment in subsidiary:	
Arising from share exchange agreement	92,560
Arising from Share Based Payments	273,597
Post-acquisition share subscriptions	1,250,000
	1,616,157

On 20 April 2018 the Company entered into a share exchange agreement with the shareholders of WINIT365 Limited and issued 18,511,990 ordinary shares of €0.005 each at €0.1081 each in exchange for the entire issued share capital of WINIT365 Limited.

On 21 August 2018 the Company subscribed for 50,000,000 ordinary shares of €0.001 each in WINIT365 Limited to capitalise €1,000,000 of loans advanced.

On 31 December 2018 the Company subscribed for 12,500,000 ordinary shares of €0.001 each in WINIT365 Limited to capitalise €250,000 of loans advanced.

2. TRADE AND OTHER RECEIVABLES

	2018 €
Amounts owed by Group undertakings	10,000
	10,000

Trade and other receivables are all current and there are no provisions for impairment against any of the balances. Trade and other receivables are classified as financial assets measured at amortised cost.

3. TRADE AND OTHER PAYABLES

	2018 €
Accruals and deferred income	11,500
	11,500

Trade and other payables are all current and there are no provisions for impairment against any of the balances. Trade and other payables are classified as financial liabilities measured at amortised cost.

4. SHARE CAPITAL

		Share Capital €	Share Premium €	Share based Payment Reserve €
Allotted, called up and fully paid				
Ordinary shares of €0.005				
On incorporation	200 shares	1	-	-
At 31 December 2018	20,000,286 shares	100,001	1,252,560	273,597

On incorporation on 23 November 2017, the Company allotted 200 ordinary shares of €0.005 each at par to Michael Hirschfield to hold in trust for the shareholders of WINIT365 Limited in proportion to their interests in WINIT365 Limited.

On 20 April 2018 the trust shares held by Michael Hirschfield were transferred to the underlying beneficial owners.

On 20 April 2018 the Company entered into a share exchange agreement with the shareholders of WINIT365 Limited and issued 18,511,990 ordinary shares of €0.005 each in exchange for the entire issued share capital of WINIT365 Limited.

On 21 April 2018 the Company issued 595,239 ordinary shares of €0.005 each for €500,000 cash pursuant to a subscription agreement.

On 3 July 2018, the Company issued 297,619 ordinary shares of €0.005 each for €250,000 cash pursuant to a subscription agreement.

On 26 July 2018, the Company issued 297,619 ordinary shares of €0.005 each for €250,000 cash pursuant to a subscription agreement.

On 30 August 2018, the Company issued 297,619 ordinary shares of €0.005 each for €250,000 cash pursuant to a subscription agreement.

Share premium reserve represents the excess subscription funds over the par value of shares issued for cash. The share based payments reserve represents amounts charged to investment in subsidiary in respect of warrants issued, calculated in accordance with the Black Scholes method.

5. SHARE WARRANTS

On 20 March 2018, the Company sold a warrant over 500,000 ordinary shares of €0.005 each at an exercise price of €0.40 each for a consideration of €10,000 in cash. The warrant vested with immediate effect and will terminate, if not previously exercised, on the earlier of 20 March 2020 and the date the Company's shares are admitted to trading on the Nasdaq First North Exchange.

The Company has calculated a share based payment charge of €227,750 based on the Black Scholes method using a risk-free rate of return of 0.914% and a share price volatility of 50%. The

expectation is that these warrants will be exercised fourteen months after grant. During the period all of this share based payment charge was recognised as the warrant vested immediately.

On 25 April 2018, the Company granted warrants over 420,000 ordinary shares of €0.005 each at an exercise price of €0.84 to each of Damion Greef and Michael Hirschfield. These warrants will vest on the date the Company's shares are admitted to trading on the Nasdaq First North Exchange and will expire, if not previously exercised, on the third anniversary of admission to trading on the Nasdaq First North Exchange.

The Company has calculated a share based payment charge of €140,406 in respect of each of Mr Greef and Mr Hirschfield, based on the Black Scholes method using a risk-free rate of return of 0.914% and a share price volatility of 50%. The expectation is that these warrants will be exercised in May 2022, approximately three years after the original anticipated listing of the Company's shares on Nasdaq First North.

6. DIRECTORS REMUNERATION AND STAFF COSTS

The Directors serving during the period received aggregate remuneration of €157,992 for services to the Group. Each of the directors provided their services through a service company.

The Company does not employ any other staff.

7. POST BALANCE SHEET EVENTS

On 2 April 2019 the Company entered into subscription agreements with two substantial shareholders under which they each immediately subscribed for 750,000 new ordinary shares of €0.005 each at a price of €0.40 per share, which raised in aggregate €600,000. The two shareholders also entered into deferred subscription agreements to make further identical subscriptions once the company has made an application for listing.

8. RELATED PARTY TRANSACTIONS

Michael Hirschfield, a director of the company, is the beneficial owner of Kitwell Administration Limited which provides Company Secretarial, accounting and general business administration services to the Group and through which Mr Hirschfield's director's fees are paid. Kitwell Administration Limited charged €93,043 (£82,000) for its services during the 16 month period. Of this sum, €36,288 (£32,000) represents directors fees (see note 5), €54,432 (£48,000) represents Company Secretarial, accounting and business administration and the balance of €2,323 (£2,000) represents other costs and expenses. There is no balance outstanding as at 31 December 2018.