Consolidated Financial Statements
Rebellion Holdings Limited

For the year ended 30 June 2017

Registered number: 2771597

Company Information

Directors	C R Kingsley J J Kingsley
Company secretary	C R Kingsley
Registered number	2771597
Registered office	Riverside House Osney Mead OXFORD OX2 0ES
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 3140 Rowan Place John Smith Drive Oxford Business Park South OXFORD OX4 2WB

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Group Strategic Report
For the year ended 30 June 2017

Financial overview

The year to 30 June 2017 was satisfactory for the group in terms of turnover with sales of £39.6 million - an increase of 137% from the previous year (2016: £16.7 million) due to major game releases in the year, which is the main source of revenue for the group. Profit before tax was £138k (2016: £16k).

The directors are satisfied with the performance for the year, and the aim is to build upon this result in the coming year when new game releases are planned.

Financial performance

Financial performance for the year has been analysed as follows:

	Year to June 2017 £'000	Year to June 2016 £'000
Turnover	**39,614**	16,680
Gross Profit	**501**	381
Profit/(loss) before tax	**138**	16

Strategy and future developments

The group's strategy is to continue to offer its products and services in both physical and digital formats, with greater emphasis on the digital market as the significant growth seen in recent years is anticipated to continue.

Turnover
Overall turnover increased by 137% from the previous year due to major game releases in the year and the continued success of the back catalogue of older titles.

Gross Profit
Gross profit has increased by 31% from the previous year which is primarily linked to improved profitability in the book publishing division.

Capital expenditure
The majority of the capital expenditure during the year related to the purchase of intellectual property (£375k).

Group Strategic Report (continued)
For the year ended 30 June 2017

Principal risks and uncertainties

The group is exposed to a variety of financial risks which result from both its operating and investment activities. The board is responsible for coordinating the group's risk management and focuses on actively securing the group's short to medium term cash flows.

The group does not actively engage in the trading of financial assets and has no financial derivatives. The most significant financial risks to which the group is exposed are described below:

Credit risk
The group's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of any allowance for doubtful debts, estimated by the directors. The group normally deals with large highly rated international companies who have a strong record for the prompt payment of liabilities.

Cash flow risk
The group seeks to manage risks to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Currency risk
The Group seeks to balance the cash flows in the major currencies using an element of natural hedging with receipts and payments being matched in the same currency and therefore minimising the exposure to currency risk. The Group also monitors currency fluctuations and manages its GBP cash holding to always ensure it has sufficient funds to meet day to day trading requirements.

Games industry risk
As with any industry there are inherent risks. In the games industry and with games development specifically, the risks are often related to publisher control, technology advancement and quality of product. The Group has sought to reduce these risks by successfully transitioning to a games publisher in its own right and has developed important relationships directly with the key platform holders. In terms of technology the Group has invested heavily in its own technology and games engine, continually pushing the boundaries of the technology and seeking technological advancements through its research & development activities. The use of its own games engine also mitigates any middleware risk and the reliance on third parties for its tools. Quality of product is extremely important to the Group. To reduce risks in this area the Group undertakes extensive quality assurance of its games and sets realistic release schedules to ensure games only reach the marketplace when ready.

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

C R Kingsley
Director
Date: 16 FEB 2018

Directors' Report

For the year ended 30 June 2017

The directors present their report and the financial statements for the year ended 30 June 2017.

Principal activity

The principal activity of the company is as a holding company. The principal activities of the group are the publishing of computer games and comic/book publishing.

Results and dividends

The loss for the year, after taxation, amounted to £59,004 (2016: loss £316,194).

Directors

The directors who served during the year were:

C R Kingsley
J J Kingsley
Dr P J Kingsley (resigned 1 August 2016)

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' Report (continued)
For the year ended 30 June 2017

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditor is aware of that information.

Other information

Information in respect of financial risk management and policies and likely future developments is given in the Strategic Report.

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

Chris R Kingsley

C R Kingsley
Director
Date: 16 FEB 2018

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Independent Auditor's Report to the Members of Rebellion Holdings Limited

Opinion

We have audited the financial statements of Rebellion Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 30 June 2017 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2017 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council'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.

Who we are reporting to

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.

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.

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Independent Auditor's Report to the Members of Rebellion Holdings Limited (continued)

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters 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 group strategic report or 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.

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Independent Auditor's Report to the Members of Rebellion Holdings Limited (continued)

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 3, 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.

Grant Thornton UK LLP

Amrish Shah BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Oxford
Date: 16 February 2018

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2017

	Note	Continuing operations 2017 £	Discontinued operations 2017 £	Total 2017 £	Continuing operations 2016 £	Discontinued operations 2016 £	Total 2016 £
Turnover	4	39,613,558	-	39,613,558	16,163,489	516,394	16,679,883
Cost of sales		(39,112,717)	-	(39,112,717)	(16,010,686)	(287,813)	(16,298,499)
Gross profit		500,841	-	500,841	152,803	228,581	381,384
Administrative expenses		(362,419)	-	(362,419)	(41,933)	(165,394)	(207,327)
Exceptional administrative expenses		-	-	-	(144,666)	-	(144,666)
Operating profit	5	138,422	-	138,422	(33,796)	63,187	29,391
Interest payable and expenses	8	-	-	-	(1)	(13,887)	(13,888)
Profit before taxation		138,422	-	138,422	(33,797)	49,300	15,503
Tax on profit	9	(197,426)	-	(197,426)	(331,697)	-	(331,697)
Loss for the financial year		(59,004)	-	(59,004)	(365,494)	49,300	(316,194)
Foreign exchange difference on translation				(39)			50
Other comprehensive income for the year				(39)			50
Total comprehensive income for the year				(59,043)			(316,144)
(Loss) for the year attributable to:							
Non-controlling interests		-	-	-	40,179	-	40,179
Owners of the parent company		(59,004)	-	(59,004)	(356,373)	-	(356,373)
		(59,004)	-	(59,004)	(316,194)	-	(316,194)

The notes on pages 16 to 29 form part of these financial statements.

Rebellion Holdings Limited
Registered number:2771597

Consolidated Statement of Financial Position

As at 30 June 2017

	Note		2017 £		2016 £
Fixed assets					
Intangible assets	12		367,087		196,411
Current assets					
Stocks	14	135,188		146,013	
Debtors: amounts falling due within one year	15	7,285,299		2,791,350	
Cash at bank and in hand	16	22,892		1,050,778	
		7,443,379		3,988,141	
Creditors: amounts falling due within one year	17	(9,839,088)		(6,154,131)	
Net current liabilities			(2,395,709)		(2,165,990)
Total assets less current liabilities			(2,028,622)		(1,969,579)
Provisions for liabilities					
Net liabilities			(2,028,622)		(1,969,579)
Capital and reserves					
Called up share capital	19		86		86
Foreign exchange reserve	20		23		62
Profit and loss account	20		(2,028,731)		(1,969,727)
Equity attributable to owners of the parent company			(2,028,622)		(1,969,579)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

16 FEB 2018

C R Kingsley
Director

Chris R Kingsley

The notes on pages 16 to 29 form part of these financial statements.

Rebellion Holdings Limited
Registered number:2771597

Company Statement of Financial Position

As at 30 June 2017

	Note		2017 £		2016 £
Fixed assets					
Investments	13		**10**		10
Current assets					
Debtors: amounts falling due within one year	15	**180,000**		180,000	
Creditors: amounts falling due within one year	17	**(4,109)**		(4,109)	
Net current assets			**175,891**		175,891
Total assets less current liabilities			**175,901**		175,901
Net assets			**175,901**		175,901
Capital and reserves					
Called up share capital	19		**86**		86
Profit and loss account brought forward		**175,815**		(4,005)	
Profit for the year		**-**		179,820	
Profit and loss account carried forward			**175,815**		175,815
			175,901		175,901

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

16 FEB 2018

C R Kingsley
Director

The notes on pages 16 to 29 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2017

	Called up share capital	Foreign exchange reserve	Profit and loss account	Equity attributable to owners of parent company	Total equity
	£	£	£	£	£
At 1 July 2016	86	62	(1,969,727)	(1,969,579)	(1,969,579)
Comprehensive income for the year					
Loss for the year	-	-	(59,004)	(59,004)	(59,004)
Foreign exchange difference on translation	-	(39)	-	(39)	(39)
Other comprehensive income for the year	-	(39)	-	(39)	(39)
Total comprehensive income for the year	-	(39)	(59,004)	(59,043)	(59,043)
At 30 June 2017	86	23	(2,028,731)	(2,028,622)	(2,028,622)

Consolidated Statement of Changes in Equity

For the year ended 30 June 2016

	Called up share capital	Foreign exchange reserve	Profit and loss account	Equity attributable to owners of parent company	Non-controlling interests	Total equity
	£	£	£	£	£	£
At 1 July 2015	86	12	(1,613,354)	(1,613,256)	365,354	(1,247,902)
Comprehensive income for the year						
Loss for the year	-	-	(356,373)	(356,373)	40,179	(316,194)
Foreign exchange difference on translation	-	50	-	50	-	50
Other comprehensive income for the year	-	50	-	50	-	50
Total comprehensive income for the year	-	50	(356,373)	(356,323)	40,179	(316,144)
Disposal	-	-	-	-	(405,533)	(405,533)
At 30 June 2016	86	62	(1,969,727)	(1,969,579)	-	(1,969,579)

The notes on pages 16 to 29 form part of these financial statements.

Company Statement of Changes in Equity
For the year ended 30 June 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2016	86	175,815	175,901
At 30 June 2017	**86**	**175,815**	**175,901**

Company Statement of Changes in Equity
For the year ended 30 June 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2015	86	(4,005)	(3,919)
Comprehensive income for the year			
Profit for the year	-	179,820	179,820
At 30 June 2016	**86**	**175,815**	**175,901**

The notes on pages 16 to 29 form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2017

	2017 £	2016 £
Cash flows from operating activities		
Loss for the financial year	**(59,004)**	(316,194)
Adjustments for:		
Amortisation of intangible assets	**192,450**	99,768
Depreciation of tangible assets	**-**	24,655
(Profit)/loss on disposal of tangible assets	**(3,125)**	-
Interest paid	**-**	13,888
Taxation charge	**197,426**	331,697
Decrease in stocks	**10,825**	124,668
(Increase)/decrease in debtors	**(3,666,539)**	566,725
(Increase)/decrease in amounts owed by participating ints	**(827,410)**	257,124
Increase/(decrease) in creditors	**4,667,469**	(1,340,287)
(Decrease)/increase in amounts owed to participating ints	**(982,512)**	1,446,009
Corporation tax (paid)	**(197,427)**	(378,830)
Loss on disposal of subsidiary undertaking	**-**	144,846
(Loss) on retranslation of foreign subsidiary	**(39)**	-
Net cash generated from operating activities	**(667,886)**	974,069
Cash flows from investing activities		
Purchase of intangible fixed assets	**(375,000)**	(114,769)
Sale of intangible assets	**15,000**	-
Purchase of tangible fixed assets	**-**	(1,430)
Sale of fixed asset investments	**-**	180,000
Cash disposed of with subsidiary	**-**	(79,008)
Net cash from investing activities	**(360,000)**	(15,207)

Consolidated Statement of Cash Flows (continued)

For the year ended 30 June 2017

	2017 £	2016 £
Cash flows from financing activities		
Repayment of other loans	-	(21,000)
Interest paid	-	(13,888)
Net cash used in financing activities	-	(34,888)
Net (decrease)/increase in cash and cash equivalents	(1,027,886)	923,974
Cash and cash equivalents at beginning of year	1,050,778	126,804
Cash and cash equivalents at the end of year	22,892	1,050,778
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	22,892	1,050,778
	22,892	1,050,778

The notes on pages 16 to 29 form part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2017

1. General information

The company is limited by shares and is incorporated in England and Wales. Its registered address is Riverside House, Osney Mead, Oxford, OX2 0ES.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in Sterling (£).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The directors consider that it is appropriate to prepare the financial statements on the going concern basis due to the commitment by a connected company, Rebellion Developments Limited, to provide any necessary financial support required to enable the group to discharge its liabilities, and therefore continue to trade, for a period of at least 12 months from the date of approving the financial statements. The directors consider that Rebellion Developments Limited has the means to provide such financial support.

Notes to the Financial Statements
For the year ended 30 June 2017

2. Accounting policies (continued)

2.4 Revenue

Turnover comprises revenue recognised by the group in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts, less adjustments for estimated returns where appropriate.

Income from publishing and distribution is recognised on the delivery of the product to the customer.

Turnover arising from designing and publishing computer games is recognised in respect of the group's performance when, and to the extent that, it obtains the right to the consideration. The guiding principle in this assessment is to consider the stage of completion of the contractual obligations and to the extent to which the group has obtained the right to the consideration. When the group is exposed to the significant risks and rewards associated with the selling price it accounts for revenue as a principal and associated commission payable is accounted for as a direct cost within cost of sales.

Turnover also includes amounts receivable for licensing income, which is recognised upon signature of a licence agreement.

Sale of goods
Turnover from sales of games is recognised at the point at which the game is delivered. The group makes provisions against subsequent returns or price protection.

Royalty revenue from distributors
Royalty payments received or accrued from external distributors under licence of the right to distribute games in certain territories. Where advance payments against royalties are received under licence in so far as the group's obligation have been fulfilled such advances are recognised at the point at which they become non returnable; and

Royalty revenue from license agreements
Royalty payments received or accrued from third parties under licence of the right to exploit the Group's intellectual property on other media. These are recognised on an accruals basis in accordance with the substance of the relevant contracts.

Notes to the Financial Statements

For the year ended 30 June 2017

2. Accounting policies (continued)

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Intellectual property	-	33 % straight line
Goodwill	-	10 % straight line

2.6 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. 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 (or CGU's) fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGU's). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value.

Work in progress includes recoverable costs incurred on projects and is transferred to cost of sales when sales are recognised.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Notes to the Financial Statements

For the year ended 30 June 2017

2. Accounting policies (continued)

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.11 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

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

2.12 Creditors

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

Notes to the Financial Statements

For the year ended 30 June 2017

2. Accounting policies (continued)

2.13 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.14 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

Notes to the Financial Statements
For the year ended 30 June 2017

2. Accounting policies (continued)

2.15 Taxation

Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.16 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of these financial statements in accordance with FRS 102 requires management to make judgments and estimates that affect the amounts of the reported assets and liabilities and the reported amounts of revenues and expenses each period. Management believes that the judgments and estimates employed in preparing these financial statements are reasonable but the actual results may differ from the estimates made, requiring adjustments to the financial statements in future periods. The areas where the most significant judgments and estimates arise are described below.

Stocks

Management make a judgment over the net realisable value of stock held, determining whether provisions are needed based upon historical sales of stock lines and expected future sales.

Notes to the Financial Statements
For the year ended 30 June 2017

4. Turnover

Analysis of turnover by country of destination:

	2017	2016
	£	£
United Kingdom	**10,950,278**	2,964,238
Rest of the world	**28,663,280**	13,715,645
	39,613,558	16,679,883

5. Operating profit

The operating profit is stated after charging:

	2017	2016
	£	£
Research & development charged as an expense	-	25,256
Depreciation of tangible fixed assets	-	24,655
Amortisation of intangible assets, including goodwill	**192,449**	99,768
Exchange differences	**(101,139)**	(176,370)
Other operating lease rentals	-	59,500

6. Auditor's remuneration

	2017	2016
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	**23,536**	22,600
Fees payable in respect of non-audit services	**4,625**	4,360

Of the above audit fees, £5,974 (2016: £7,150) was paid for by a connected company through common directorship, Rebellion Developments Limited.

The audit fee in respect of the company was £5,974 (2016: £7,150).

Notes to the Financial Statements
For the year ended 30 June 2017

7. Employees

Staff costs were as follows:

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Wages and salaries	-	149,927	-	-
Social security costs	-	10,380	-	-
Cost of defined contribution scheme	-	2,351	-	-
	-	162,658	-	-

The average monthly number of employees during the year including the directors was as follows:

	2017 No.	2016 No.
	2	6

During the year, no director received any emoluments (2016: £Nil) for services to the company.

8. Interest payable and similar charges

	2017 £	2016 £
Bank interest payable	-	13,888

Notes to the Financial Statements

For the year ended 30 June 2017

9. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	241	-
	241	-
Foreign tax		
Foreign tax on income for the year	197,185	331,697
Total current tax	197,426	331,697
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	197,426	331,697

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 19.75% (2016: 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	138,422	15,503
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.75% (2016 - 20%)	27,338	3,101
Effects of:		
Fixed asset differences	18,253	-
Other permanent differences	(48)	-
Other tax adjustments	(40)	-
Other timing differences leading to an increase (decrease) in taxation	(36,520)	(3,101)
Non-deductable expenses	487	-
Foreign tax credit accrued	50,400	-
Overseas withholding tax	137,556	331,697
Total tax charge for the year	197,426	331,697

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Notes to the Financial Statements
For the year ended 30 June 2017

10. Loss on the sale of subsidiary

	2017	2016
	£	£
Loss on the sale of subsidiary	-	144,666

During the prior year Rebellion Holdings Limited disposed of its holding in Audiomotion Studios Limited for consideration of £180,000.

11. Parent company profit for the year

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 (2016: £179,820).

12. Intangible assets

Group and Company

	Intellectual property	Goodwill	Total
	£	£	£
Cost			
At 1 July 2016	1,124,414	112,248	1,236,662
Additions	375,000	-	375,000
Disposals	(15,000)	-	(15,000)
At 30 June 2017	1,484,414	112,248	1,596,662
Amortisation			
At 1 July 2016	928,003	112,248	1,040,251
Charge for the year	192,449	-	192,449
On disposals	(3,125)	-	(3,125)
At 30 June 2017	1,117,327	112,248	1,229,575
Net book value			
At 30 June 2017	367,087	-	367,087
At 30 June 2016	196,411	-	196,411

Notes to the Financial Statements

For the year ended 30 June 2017

13. Fixed asset investments

Subsidiary undertakings

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the Consolidated Statement of Financial Position.

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Rebellion Limited	Ordinary	100%	Dormant
Rebellion Intellectual Property Limited	Ordinary	100%	Dormant
Rebellion Interactive Limited	Ordinary	100%	Designing and publishing computer games
Rebellion Interactive Games Limited	Ordinary	100%	Designing and publishing computer games
Rebellion Publishing Limited	Ordinary	100%	Publishing and distribution
Rebellion Software Limited	Ordinary	100%	Dormant
Rebellion Games Inc	Ordinary	100%	Dormant

All of the subsidiary undertakings are incorporated in England & Wales, with the exception of Rebellion Limited and Rebellion Games Inc. which are incorporated in Scotland and the USA respectively.

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2016	10
At 30 June 2017	10
Net book value	
At 30 June 2017	10
At 30 June 2016	10

Notes to the Financial Statements
For the year ended 30 June 2017

14. Stocks

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Work in progress	31,027	35,690	-	-
Finished goods and goods for resale	104,161	110,323	-	-
	135,188	146,013	-	-

15. Debtors

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade debtors	1,479,734	1,162,980	-	-
Amounts owed by group undertakings	-	-	180,000	180,000
Amounts owed by connected undertakings	827,410	-	-	-
Other debtors	4,978,155	1,628,370	-	-
	7,285,299	2,791,350	180,000	180,000

16. Cash and cash equivalents

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	22,892	1,050,778	-	-

17. Creditors: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade creditors	48,591	68,009	-	-
Amounts owed to connected undertakings	3,615,607	4,598,119	-	-
Other taxation and social security	1,304,072	60,565	-	-
Other creditors	78,611	33,279	4,109	4,109
Accruals and deferred income	4,792,207	1,394,159	-	-
	9,839,088	6,154,131	4,109	4,109

Notes to the Financial Statements
For the year ended 30 June 2017

18. Financial instruments

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Financial assets				
Financial assets measured at amortised cost	**7,308,191**	3,842,128	**180,000**	180,000
Financial liabilities				
Financial liabilities measured at amortised cost	**(8,535,016)**	(6,093,566)	**(4,109)**	(4,109)

Financial assets measured at amortised cost comprise cash, trade debtors, amounts owed by related parties and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to related parties, other creditors and accruals.

19. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
86 Ordinary shares of £1 each	**86**	86

20. Reserves

Foreign exchange reserve

Comprises translation differences arising from the translation of financial statements of the Group's foreign entities into Sterling (£).

Profit & loss account

Includes all current and prior period retained profits and losses.

Non-controlling interest

Includes amounts attributable to non-controlling interests rather than the owners of the parent company.

Notes to the Financial Statements

For the year ended 30 June 2017

21. Related party transactions

The following are companies related by virtue of common ownership.

All sales and purchases are exclusive of VAT.

Related party transactions during the year ended 30 June 2017:

	Sales	**Purchases**	**(Paid to) / received from**	**Creditor**
	£	**£**	**£**	**£**
Rebellion Developments Limited	**505,505**	**(27,433,154)**	**(28,737,571)**	**(2,788,197)**

Related party transactions during the year ended 30 June 2016:

	Sales	Purchases	(Paid to) / received from	Creditor
	£	£	£	£
Rebellion Developments Limited	251,660	(13,604,103)	(11,626,873)	(4,598,119)
Ammo Holdings Limited *	180,000	-	180,000	-
	431,660	(13,604,103)	(11,446,873)	(4,598,119)

*This amount is the consideration for the sale of Audiomotion Studios Limited.

The company and group has adopted the provisions of FRS 102 Section 33 'Related Party Disclosures'. The company has utilised the exemption available under FRS 102 allowing non disclosure of transactions within the group companies eliminated on consolidation where subsidiaries are 100% owned and controlled.

22. Controlling party

The controlling parties are the directors C R Kingsley and J J Kingsley.