

BETAGO LTD

Reg. No.: C 71266

Annual report

For the year ended 31st December 2018

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Director's report**For the year ended 31st December 2018**

The director presents his report, together with the audited financial statements of Betago Ltd, for the year ended 31st December 2018.

Director

The director of the company during the year was:

Mr. Iosif Galea

Principal activity

The principal activity of the company is to act as an operator of gaming, including games of skill, chance or a combination thereof.

Review of business development and financial position

The results for the period under review are disclosed on page 7, while the financial position of the company as at 31st December 2018 is disclosed on page 8.

Events after the end of the reporting period

No significant events, having an effect on the financial results and position of the company, have taken place after the end of the reporting period.

Future developments

No changes are envisaged in company's operations during the forthcoming year.

Dividend

The director does not recommend the payment of a dividend.

Reserves

Accumulated losses amounting to €1,698,629 are being carried forward to the next financial year.

Auditors

The auditors, Opes Limited, have intimated their willingness to continue in office. A resolution proposing their re-appointment will be put before the members at the next annual general meeting.

Financial reporting framework

The director has resolved to prepare the Company's financial statements for the year ending 31st December 2018 in accordance with International Financial Reporting Standards as adopted by the EU (EU IFRS) and have been prepared in accordance with the requirements of the Companies Act (Cap. 386).

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Director's report

For the year ended 31st December 2018

Approved by the director on 26th October 2020 and signed by:



Mr. Iosif Galea
Director

Registered address:
62, Wilga Street,
St. Julians STJ 3117,
Malta.

Statement of director's responsibilities

The Companies Act, 1995 (the "Act") requires the director to prepare financial statements for each financial year which give a true and fair view of the financial position of the company as at the end of the financial year and of the profit or loss of the company for that year.

In preparing such financial statements, the Act requires the directors to:

- select suitable accounting policies and apply them consistently from one accounting period to another;
- make judgments and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accruals basis;
- value separately the components of asset and liability items on a prudent basis; and
- adopt the going concern basis unless it is inappropriate to presume that the company will continue in business.


The director is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the company and to enable him to ensure that the financial statements have been properly prepared in accordance with the provisions of the Act.

The director is 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.

The director is responsible to ensure that the company establishes and maintains internal control to provide reasonable assurance with regard to reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

In determining which controls to implement to prevent and detect fraud, management considers the risks that the financial statements may be materially misstated as a result of fraud.

Signed on 26th October 2020 by:



Mr. Iosif Galea
Director

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Betago Ltd.

Report on the Audit of the Financial Statements**Opinion**

We have audited the accompanying financial statements of Betago Ltd. which comprise the balance sheet as at 31st December 2018, the income statement, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st December 2018, and of its financial performance for the period then ended in accordance with International Financial Reporting Standards as adopted by the EU and have been properly prepared in accordance with the requirements of the Companies Act (Cap. 386).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the *Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta*, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The director is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Responsibilities of the Director

The director is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and the requirements of the Maltese Companies Act, 1995, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the 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 director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs 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.


As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been properly prepared in accordance with the Companies Act (Chap. 386), enacted in Malta, which permits compliance with the International Financial Reporting Standards as adopted by the EU.



Luke Chetcuti
For and on behalf of
Opes Limited
Registered auditors

The Office, 86, Leli Falzon Street, Naxxar, NXR2609, Malta.
Email: info@opes.com.mt

Date: 26th October 2020

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Statement of comprehensive income**For the year ended 31st December 2018**

	Note	2018 €	2017 €
Net revenue		(6,971)	-
Administrative expenses		(643,645)	(433,543)
Finance costs		(23,788)	(9,663)
Loss before tax	3	<u>(674,404)</u>	<u>(443,206)</u>
Tax credit for the year		236,041	663
Loss for the year		<u><u>(438,363)</u></u>	<u><u>(442,543)</u></u>

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Statement of financial position

As at 31st December 2018

	Note	2018 €	2017 €
Assets			
Non-current assets			
Property, plant and equipment	4	5,225	5,381
Deferred tax asset	5	237,367	1,326
Current assets			
Trade and other receivables	6	149,880	20,108
Shareholder's advances	7	1,427	714
Amount due from ultimate beneficial owner	8	9,727	189,840
Cash and cash equivalents	9	14,924	1,094
Total current assets		175,958	211,756
Total assets		418,550	218,463
Equity			
Share capital	10	100,000	100,000
Accumulated losses		(1,698,629)	(1,260,266)
Total equity		(1,598,629)	(1,160,266)
Liabilities			
Non-current liabilities			
Related party loan	11	1,835,984	1,112,784
Total non-current liabilities		1,835,984	1,112,784
Current liabilities			
Trade and other payables	12	181,195	265,945
Total current liabilities		181,195	265,945
Total liabilities		2,017,179	1,378,729
Total equity and liabilities		418,550	218,463

The financial statements on pages 7 to 17 were approved by the director on 26th October 2020 and signed by:



Mr. Iosif Galea
Director

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Statement of changes in equity

For the year ended 31st December 2018

	Called up issued share capital €	Accumulated losses €	Total €
At 1 st January 2018	100,000	(817,723)	(717,723)
Loss for the year	-	(442,543)	(442,543)
At 31 st December 2018	<u>100,000</u>	<u>(1,260,266)</u>	<u>(1,160,266)</u>
At 1 st January 2019	100,000	(1,260,266)	(1,160,266)
Loss for the year	-	(438,363)	(438,363)
At 31 st December 2019	<u>100,000</u>	<u>(1,698,629)</u>	<u>(1,598,629)</u>

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Statement of cash flow**For the year ended 31st December 2018**

	Note	2018 €	2017 €
Cash flow from operating activities			
Loss before tax		(674,404)	(443,206)
Adjustment for:			
Depreciation		2,473	1,894
Movements in working capital:			
Trade and other receivables		(129,772)	(119)
Trade and other payables		(84,750)	245,881
Net cash outflow used in operating activities		<u>(886,453)</u>	<u>(195,550)</u>
Cash flow from investing activities			
Payment to acquire property, plant and equipment		(2,317)	-
Net cash outflow used in investing activities		<u>(2,317)</u>	<u>-</u>
Cash flow from financing activities			
Amount due to ultimate beneficial owner		180,113	(191,661)
Related party loan		723,200	309,663
Shareholder's advances		(713)	(714)
Net cash inflow from financing activities		<u>902,600</u>	<u>117,288</u>
Movement in cash and cash equivalents		13,830	(78,262)
Cash and cash equivalents at the beginning of the year		1,094	79,356
Cash and cash equivalents at the end of the year	9	<u>14,924</u>	<u>1,094</u>

Notes to the financial statements**For the year ended 31st December 2018****1 Basis of preparation****1.1 Statement of compliance**

The financial statements have been prepared and presented in accordance with the provisions of the Companies Act, 1995 (the "Act") enacted in Malta, which requires adherence to International Financial Reporting Standards as adopted by the EU (IFRSs), and their interpretations adopted by the International Accounting Standards Board (IASB). The financial statements are prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

The company suffered a loss of €674,404 during the year ended 31 December 2018, and as at that date, the company's total liabilities exceeded its total assets by €1,598,629. In view of this, the director is not in a position to provide a reasonable expectation for the foreseeable future of the company. For this reason, the director cannot decide whether the company will continue the going concern basis in preparing the financial statements.

Standards, interpretations and amendments to published standards effective in 2017

The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in substantial changes to the Company's accounting policies.

Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are mandatory for the Company. The Company has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the company's directors are of the opinion that, there are no requirements that will have a possible significant impact on the group's financial statements in the period of initial application.

1.2 Basis of measurement

The financial statements are prepared under the historical cost basis except for freehold land and buildings which are stated at their revalued amounts and investment property and other financial instruments which are stated at their fair values. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

1.3 Functional and presentation currency

The financial statements are presented in Euro, which is the Company's functional currency.

Notes to the financial statements**For the year ended 31st December 2018****2 Significant accounting policies****2.1 Property, plant and equipment**

Property, plant and equipment, are initially recorded at cost and are subsequently stated at cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items. Subsequent costs are included in the asset's carrying amount, or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group, and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of comprehensive income, during the financial period in which they are incurred.

Depreciation is calculated to write off the cost of fixed assets on a straight line basis over the expected useful lives of the assets concerned having regard to their residual value. The annual rates used for this purpose, which are applied consistently, are:

Computer equipment	25
Furniture & fittings	10

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

2.2 Cash and cash equivalents

Cash and cash equivalents includes cash at bank.

2.3 Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

2.4 Trade and other payables

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

2.5 Share capital

Ordinary shares are classified as equity.

2.6 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and fair value interest rate risk), credit risk, liquidity risk and capital risk management arising from the financial instruments it holds. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The risk management policies employed by the Company to manage these risks are discussed below:

Notes to the financial statements**For the year ended 31st December 2018****2 Significant accounting policies (Cont'd)****2.7 Credit risk**

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

2.8 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The liquidity risk management policy relates to ensuring the necessary financial assets for meeting financial and investment liabilities at their due dates, without the risk of loss of reputation. Due to the constant monitoring in place at the Company and the possibility of financing by other Group companies if necessary, the risk may be assessed as low.

2.9 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The carrying amounts of the Company's assets are also reviewed at each end of reporting year to determine whether there is any indication that an impairment loss recognised in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated.

3 Loss for the year**3.1 The loss for the year is stated after charging the following:**

	2018 €	2017 €
Audit fee	<u>3,500</u>	<u>950</u>

Notes to the financial statements

For the year ended 31st December 2018

4 Property, plant and equipment

	Computer & equipment €	Furniture & fittings €	Total €
Cost			
At 1 st January 2018 and Additions for the year	6,510 2,317	2,658 -	9,168 2,317
As at 31 st December 2018	8,827	2,658	11,485
Depreciation			
At 1 st January 2018 Charge for the year	3,255 2,207	532 266	3,787 2,473
At 31 st December 2018	5,462	798	6,260
Net book value			
At 31 st December 2018	<u>3,365</u>	<u>1,860</u>	<u>5,225</u>
Net book value At 31 st December 2017	<u>3,255</u>	<u>2,126</u>	<u>5,381</u>

5 Taxation

5.1 The credit for taxation comprises:

	2018 €	2017 €
Deferred taxation	<u>236,041</u>	<u>663</u>

Notes to the financial statements

For the year ended 31st December 2018

5 Taxation (Cont'd)

- 5.2 The tax effect at the applicable tax rate on the accounting result and the tax credit for the period are reconciled as follows:

	2018 €	2017 €
Loss before tax	(674,404)	(443,206)
Add back: <i>Non-trading expenses</i>	-	441,312
Re-stated profit before tax	(674,404)	(1,894)
Tax credit at the applicable tax rate of 35%	<u>236,041</u>	<u>663</u>

- 5.3 Deferred tax is analysed as follows:

	2018 €	2017 €
Unabsorbed capital allowance	865	1,326
Movement in tax losses	235,176	-
	<u>236,041</u>	<u>1,326</u>

6 Trade and other receivables

	2018 €	2017 €
Prepayments	19,168	-
Receivables from third party	116,000	-
Vat refundable	14,712	20,108
	<u>149,880</u>	<u>20,108</u>

7 Shareholder's advances

Shareholder's advances are unsecured, interest free and repayable on demand.

Notes to the financial statements

For the year ended 31st December 2018

8 Amount due from ultimate beneficial owner

Amount due from ultimate beneficial owner is unsecured, interest free and repayable on demand.

9 Cash and cash equivalents

Cash and cash equivalents consist of the following:

	2018 €	2017 €	Movement €
Cash at bank	14,392	1,094	13,298
Players' fund account	532	-	532
	<u>14,924</u>	<u>1,094</u>	<u>13,830</u>

10 Share capital

	2018 €	2017 €
Authorised		
99,999 Ordinary 'A' shares of €1 each	99,999	99,999
1 Ordinary 'B' share of €1 each	1	1
	<u>100,000</u>	<u>100,000</u>
Issued and fully paid up		
99,999 Ordinary 'A' shares of €1 each	99,999	99,999
1 Ordinary 'B' share of €1 each	1	1
	<u>100,000</u>	<u>100,000</u>

11 Related party loan

Related party loan is unsecured, bears interest at 1% per annum and is repayable by 31st December 2019.

12 Trade and other payables

	2018 €	2017 €
Trade payables	112,624	239,274
Accruals	6,150	2,140
NI/FSS payable	61,529	24,531
Other payables	360	-
Players' fund account	532	-
	<u>181,195</u>	<u>265,945</u>

Notes to the financial statements

For the year ended 31st December 2018

13 Statutory information

The company is a Private Limited Liability Company and is incorporated and registered in Malta.

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Detailed statement of comprehensive income**For the year ended 31st December 2018**

	2018 €	2017 €
Net revenue	(6,971)	-
Administrative expenses:		
Accounting fees	1,800	3,907
Audit fee	3,500	950
Bank charges	1,422	1,659
Company registration fee	109	400
Consulting	18,437	18,000
Depreciation	2,473	1,894
Legal expenses	17,681	11,375
Licenses	10,000	11,000
Marketing consulting	31,143	-
Office expenses	2,883	1,805
Professional fees	40,422	6,356
Rent	47,880	46,200
Software expenses	283,027	168,344
Tax contribution	10,415	-
Telephone & telecommunications	44,973	47,382
Travel expenses	20	1,653
Utilities	2,483	1,414
Wages & salaries	124,977	111,204
	(643,645)	(433,543)
Finance costs		
Loan interest	23,200	9,663
Other finance charges	588	-
	(23,788)	(9,663)
Loss for the year	(674,404)	(443,206)

