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Annual Financial Report
G Entertainment Group Plc
GENT

Approval of the Annual Report and Audited Financial Statements

Approval of the Annual Report and Audited Financial Statements for the period 21 August 2015 to 31 December 2016

Attachments:

1. **Announcement**
2. **Consolidated Financials**
3. **Company Financial**

Non Regulated

Publication Date: 28/04/2017

27 April 2017

Cyprus Stock Exchange
Nicosia

ANNOUNCEMENT

Re: Approval of the Annual Report and Audited Financial Statements for the period 21 August 2015 to 31 December 2016

The Board of Directors of G Entertainment Group Plc (the "Company"), has today approved both the Annual Report and Consolidated Financial Statements of the Company and the standalone Annual Report and Financial Statements of the Company for the period 21 August 2015 to 31 December 2016 (the "Annual Reports"), which were prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap.113 and are attached to the current announcement. The Annual Reports include the final, audited financial statements, the Management Report and the Independent Auditors' Report.

The Annual Reports will also be available on the Company's website, www.gegroupplc.com and the website of the Cyprus Stock Exchange, www.cse.com.cy where they can be accessed and printed.

On behalf of the board of directors of G Entertainment Group Plc
Brooke Greville
Chief Executive Officer

G ENTERTAINMENT GROUP PLC

ANNUAL REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE PERIOD FROM 21 AUGUST 2015
TO 31 DECEMBER 2016

G ENTERTAINMENT GROUP PLC

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 21 AUGUST 2015 TO 31 DECEMBER 2016

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BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	**Executive Directors** Brooke Rene Southwell Guy Greville - Appointed on 21 August 2015 Richard James Carter - Appointed on 21 August 2015 Zheng Yongxiong - Appointed on 13 January 2017 Jason Fong - Appointed on 4 April 2017 Wei Wang - Appointed on 4 April 2017 **Non-executive Directors** John Pitsillos - Appointed on 15 November 2016 Actionor Nominees Ltd - Appointed on 21 August 2015 and resigned on 21 September 2016 Amphipolis Administrative Services Limited - Appointed on 21 September 2016
Company Secretary:	Actionor Secretarial Limited - Appointed on 21 August 2015 and resigned on 21 September 2016 Amphipolis Secretarial Services Ltd- Appointed on 21 September 2016
Independent Auditors:	Deloitte Limited Certified Public Accountants and Registered Auditors 24 Spyrou Kyprianou Avenue 1075 Nicosia Cyprus
Legal Advisers:	Nicholas A. Poumbourides LLC Shakespeare Martineau LLP
Registered office:	6 Theotoki Street 1055, Nicosia Cyprus
Bankers:	Eurobank Cyprus Ltd The Royal Bank of Scotland Plc
Registration number:	346401

CONSOLIDATED MANAGEMENT REPORT
FOR THE PERIOD FROM 21 AUGUST 2015 TO 31 DECEMBER 2016

The Board of Directors presents its first Management Report and audited financial statements of G Entertainment Group Plc and its subsidiary (together with the Company, the "Group") for the period from 21 August 2015 to 31 December 2016.

Incorporation
The Company was incorporated in Cyprus on 21 August 2015 as a public limited company under the provisions of the Cyprus Companies Law, Cap. 113. On 16 December 2016 the Company was listed on the Emerging Companies Market of the Cyprus Stock Exchange.

Principal activities and nature of operations of the Group
The principal activity of the Group is the holding of investments.

Change of Company name
On 30 September 2016, the Company changed its name from Xinex Corporation Public Company Limited to G Entertainment Group Plc.

Review of current position, future developments and performance of the Group's business
The results of this year are not considered satisfactory and the Board of Directors is making an effort to reduce the Group's losses. Despite the loss this year the Group's development to date and the financial position as reflected in the consolidated financial statements are satisfactory.

2016 represented the establishment and early stage development of G Entertainment Group Plc. The Company has been through a lot of changes in a short space of time, and continues to enjoy the support of its investors. The Company was listed on the Emerging Companies Market of the Cyprus Stock Exchange on 16th December 2016 which represented a huge achievement for the business, but a small step in its long-term vision.

2017 has so far been a very exciting and encouraging year, with the Company continuing to follow its business plans, as well as progressing with plans for new ventures in China. The early success of West End production 42nd Street is expected to result in future revenues for the business. Additionally, the Group's investments in Single Yard Holdings Ltd and Sports Side Kick Ltd are set to launch with returns expected in 2018. The Board strongly believes that the Company has a strong future ahead and holds unique contacts and opportunities to exploit the increasing trade between Europe, China and the United States.

Important Developments

In the year 2016, G Entertainment Group Plc raised GBP3 million by issuing new shares to the strategic investor, Crystal Voyage Limited, a wholly owned company by the Chairman of the Company, Mr Zheng Yongxiong to begin the Group's investment activities as follows:

- G Entertainment Group Plc subscribed GBP500,000 towards the total capitalisation of the West End production 42nd Street, a revival of a 1933 Hollywood film adaption first brought to the West End in 1984 which ran for a total of five years.

- G Entertainment Group Plc invested GBP1,103,000 by way of convertible loan note into Single Yard Holdings Ltd (SYH), a start-up venture launched to be a licensed, state-of-the-art exchange and advance deposit (horse racing) wagering platform focused on the Asian-Pacific market. SYH's objective is to penetrate selected Asian-Pacific markets by offering a licensed, low-cost, multilingual betting platform tailored to high volume individual players, as well as other licensed operators and syndicates.

- G Entertainment Ltd, a wholly owned subsidiary of G Entertainment Group Plc, invested GBP625,000 by way of convertible loan note into Sports Side Kick Ltd (SSK), a technology company which is operating as a channel to connect sports clubs with fans from around the world and big brands in a socially driven, engaging and commercial environment.

Further, in 2016 the Group incorporated G Entertainment Sports Limited and G Entertainment Racing Club Limited. These are 100% subsidiaries of G Entertainment Ltd and remain dormant.

Review of current position, future developments and performance of the Group's business (continued)

In 2017, G Entertainment Group Plc has so far raised a further €3,4 million to continue its investment activities:

- In January, G Entertainment Group Plc invested a further GBP800,000 by way of convertible loan note into Single Yard Holdings Ltd and G Entertainment Ltd invested a further GBP600,000 by way of convertible loan note into Sports Side Kick Ltd.

- In March, G Entertainment Group Plc subscribed a further GBP600,000 and GBP200,000 towards the total capitalisation of GBP6 million for the production of 42nd Street. Total subscription upon launch of the show on 2nd April 2017 was GBP1.3 million. After a positive start, 42nd Street's run was extended past the initial term for a further two months to October 2017.

Principal risks and uncertainties
The principal risks and uncertainties faced by the Group are disclosed in note 3 of the consolidated financial statements.

Existence of branches
The Group does not maintain any branches.

Use of financial instruments by the Group
The Group is exposed to market price risk, interest rate risk, credit risk, liquidity risk and currency risk arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

Market price risk
Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Group's available-for-sale financial assets are susceptible to market price risk arising from uncertainties about future prices of the investments.

Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument, leading to a financial loss. The Group is exposed to credit risk from its operating activities - primarily from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Liquidity risk
Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's measurement currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the British Pound. The Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Results
The Group's results for the period are set out on page 11.

Dividends
The Company did not have any distributable profits as at 31 December 2016, thus the Board of Directors cannot recommend the payment of a dividend.

Share capital
Authorised capital
On 21 August 2015, under its Memorandum the Company fixed its share capital at 100.000 ordinary shares of €1.00 each.

On 15 January 2016, the Company increased its authorized share capital to 300.000 ordinary shares of €1.00 each. On the same date, the Company converted the authorized share capital from 300.000 ordinary shares of €1.00 each to 3.000.000.000 ordinary shares of €0.0001 each.

Issued capital
On 21 August 2015, the Company issued 100.000 ordinary shares of €1.00 each.

On 15 January 2016, the Company converted the issued share capital from 100.000 ordinary shares of €1.00 each to 1.000.000.000 ordinary shares of €0.0001 each.

On 3 October 2016 the Company made a bonus issue of 42.104.000 shares to key management personnel and 10.526.000 shares to a third party at the value of €0,031 per share. On 4 October 2016, the Company issued 116.960.000 ordinary shares to a strategic investor for the same value, resulting in a share premium of €3.614.064.

Board of Directors
The members of the Company's Board of Directors as at 31 December 2016 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the period from 21 August 2015 to 31 December 2016 except from Actionor Nominees Ltd that has resigned on 21 September 2016 and replaced on the same day by Amphipolis Administrative Services Ltd.

Dr. John Pitsillos and Mr. Zheng Yongxiong were appointed to the Board of Directors on 15 November 2016 and 13 January 2017 respectively. Mr. Jason Fong and Ms. Wei Wang were appointed to the Board of Directors on 4 April 2017.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

CONSOLIDATED MANAGEMENT REPORT
FOR THE PERIOD FROM 21 AUGUST 2015 TO 31 DECEMBER 2016

Directors' Shareholdings

The beneficial interest in the Company's share capital owned by the Directors, their spouses and minor children and by companies in which they hold directly or indirectly at least 20% of the voting rights in a general meeting at 31 December 2016 and 22 April 2017 (5 days before the date of approval of the financial statements) was as follows:

	22 April 2017		31 December 2016	
	No. of Shares	**% of capital**	**No. of Shares**	**% of capital**
Brooke Southwell Guy Rene Greville	5.894.560	0,90%	10.526.000	0,90%
Richard James Carter	5.894.560	0,90%	10.526.000	0,90%
Zheng Yongxiong	295.179.528	43.90%	496.580.000	42,50%
	306.968.648	45.70%	517.632.000	44,30%

Shareholders with more than 5% of share capital
The following shareholders held directly or indirectly over 5% of the Company's issued share capital at 31 December 2016 and 22 April 2017 (5 days before the date of approval of the financial statements):

	22 April 2017	31 December 2016
Zheng Yongxiong	43,90%	42,50%
Blackrun Ventures Limited	9,90%	10,20%
Jenwell Limited	9,90%	10,20%
Lottalot Limited	12,90%	13,20%
	76,60%	76,10%

Vicky Hui Xu owns 100% of Jenwell Ltd and indirectly through her wholly owned company, Areteos Venture Investment Group Limited, 50% of Lottalot Limited and 50% of Blackrun Venture Limited via her wholly owned companies, Maetel Capital Limited, The Hon Organisation and Areteos Venture Investment Group Limited

Events after the reporting period
Any significant events that occurred after the end of the reporting period are described in note 25 to the consolidated financial statements.

Corporate Governance Code
The Company is currently not complying with the Corporate Governance Code as it is listed on the Emerging Companies Market.

Independent Auditors
The independent auditors, Deloitte Limited, who on 17 November 2016 were appointed by the Board of Directors as the Company's first auditors, have expressed their willingness to continue in office and a resolution authorising the Board of Directors to fix their remuneration will be submitted at the forthcoming Annual General Meeting.

By order of the Board of Directors,

Brooke Rene Southwell Guy Greville
Director

Nicosia, 27 April 2017

DECLARATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE COMPANY OFFICIALS RESPONSIBLE FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Article 140 (1) of the Law and Regulations of the Cyprus Stock Exchange we, the members of the Board of Directors and the Company officials responsible for the consolidated financial statements of G Entertainment Group Plc (the "Company") for the period from 21 August 2015 to 31 December 2016, on the basis of our knowledge, declare that:

(a) The annual consolidated financial statements of the Group which are presented on pages 11 to 39:

(i) have been prepared in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and

(ii) provide a true and fair view of the particulars of assets and liabilities, the financial position and profit or loss of the Group and the entities included in the consolidated financial statements as a whole and

b) The consolidated management report provides a fair view of the developments and the performance as well as the financial position of the Group as a whole, together with a description of the main risks and uncertainties which the Group faces.

Members of the Board of Directors:

Name	Position	Signature
Brooke Rene Southwell Guy Greville	Executive Director	....
Richard James Carter	Executive Director	....
Zheng Yongxiong	Executive Director	....
Jason Fong	Executive Director	....
Wei Wang	Executive Director	....
John Pitsillos	Non-executive Director	....
Amphipolis Administrative Services Limited	Non-executive Director	....

Responsible for drafting the financial statements

Name	Position	Signature
Alison Bolt	Financial Controller	

Nicosia, 27 April 2017

Deloitte.

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Deloitte Limited
24 Spyrou Kyprianou Avenue
CY-1075 Nicosia, Cyprus
Mail: P.O.Box 21675
CY-1512 Nicosia, Cyprus

Tel: +357 22 360 300
Fax: +357 22 360 400
infonicosia@deloitte.com
www.deloitte.com/cy

Independent Auditor's Report

To the Members of G Entertainment Group Plc

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of G Entertainment Group Plc (the "Company") and its subsidiaries (together with the Company, the "Group"), which are presented in pages 11 to 39 and comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the period from 21 August 2015 to 31 December 2016, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2016, and of its financial performance and its cash flows for the period from 21 August 2015 to 31 December 2016 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

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 our report. We are independent of the Group 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 Cyprus, 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.

Board Members: Christis M. Christoforou (Chief Executive Officer), Eleftherios N. Philippou, Nicos S. Kyriakides, Nicos D. Papakyriacou, Athos Chrysanthou, Costas Georghadjis, Antonis Taliotis, Panos Papadopoulos, Pieris M. Markou, Nicos Charalambous, Nicos Spanoudis, Maria Paschalis, Alexis Agathocleous, Alkis Christodoulides, Christakis Ioannou, Panicos Papamichael, Christos Papamarkides, George Martides, Kerry Whyte, Andreas Georgiou, Christos Neocleous, Demetris Papapericleous, Andreas Andreou, Alecos Papalexandrou, George Pantelides, Panayiota Vayianou, Agis Agathocleous, Gaston Hadjianastassiou, Kypros Ioannides, Yiannis Sophianos, Kyriakos Vlachos, Michael Christoforou (Chairman Emeritus).

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Member of Deloitte Touche Tohmatsu Limited

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Independent Auditor's Report (continued)

To the Members of G Entertainment Group Plc

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Fair value estimation of available-for-sale investments The Group holds available for sale investments of €2.613.239 as at 31 December 2016 (Notes 3 and 14) which are presented at fair value. The fair value of available for sale investments was determined to be their cost at the respective transaction dates and at 31 December 2016 was also determined to be the acquisition cost, translated by the period-end exchange rate for investments denominated in a foreign currency. The fair value of the available for sale investments is considered a key audit matter due to the significant judgements required by management to assess whether cost approximates fair value on initial recognition and period-end. Available for sale investments as at 31 December 2016 represent shares, convertible loan notes and participation rights in unlisted entities.	• We have assessed the management's processes and controls around the fair valuation of unlisted investments. • We assessed whether the measurement of fair value by management is reasonable and in accordance with IFRS requirements and at 31 December 2016 approximated cost at initial recognition. • We involved our internal valuation experts to assess the appropriateness of management assumptions and inputs for the estimation of the fair values at the respective acquisition dates and 31 December 2016. • We assessed whether the fair value of the investments at period-end has changed compared to that on initial recognition. • We evaluated whether the disclosures in the financial statements adequately reflect the hierarchy of the fair value of available for sale investments, especially considering that the fair value measurements are not derived from market data.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the consolidated management report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

Deloitte.

Independent Auditor's Report (continued)

To the Members of G Entertainment Group Plc

Responsibilities of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group'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 Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 our 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 Group'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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors 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.

Deloitte.

Independent Auditor's Report (continued)

To the Members of G Entertainment Group Plc

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 to 2016, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of these books.
- The consolidated financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the management report, has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the consolidated financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the management report.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 to 2016 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

The engagement partner on the audit resulting in this independent auditor's report is Maria Paschalis.

Maria Paschalis
Certified Public Accountant and Registered Auditor
for and on behalf of
Deloitte Limited
Certified Public Accountants and Registered Auditors

Nicosia, 27 April 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD FROM 21 AUGUST 2015 TO 31 DECEMBER 2016

	Note	21/08/2015 - 31/12/2016 €
Administration expenses		(909.133)
Other expenses	5	(1.944.321)
Operating loss	6	(2.853.454)
Net finance costs	8	(59.533)
Loss before income tax		(2.912.987)
Income tax	9	-
Loss for the period		(2.912.987)
Other comprehensive income		
Items that may be classified subsequently to profit or loss:		
Available-for-sale investments - Fair value Loss		(30.088)
Exchange difference arising on the translation and consolidation of foreign companies' financial statements		10.432
Other comprehensive loss for the period		(19.656)
Total comprehensive loss for the period		(2.932.643)
Loss per share (cent)	10	(0.28)

The notes on pages 15 to 39 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 €
ASSETS		
Non-current assets		
Intangible assets	11	-
Available-for-sale investments	14	2.613.239
		2.613.239
Current assets		
Receivables	16	41.147
Loans receivable	15	103.000
Cash and cash equivalents	17	2.228.914
		2.373.061
TOTAL ASSETS		4.986.300
EQUITY AND LIABILITIES		
Equity and reserves		
Share capital	18	116.959
Share premium		3.614.064
Other reserves	19	3.998.054
Accumulated losses		(2.912.987)
Total equity		4.816.090
Current liabilities		
Payables	20	147.673
Current tax liabilities	21	22.537
		170.210
TOTAL EQUITY AND LIABILITIES		4.986.300
Net assets per share (cent)	10	0.47

On 27 April 2017 the Board of Directors of G Entertainment Group Plc authorised these consolidated financial statements for issue.

Brooke Rene Southwell Guy Greville
Director

Richard James Carter
Director

The notes on pages 15 to 39 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 21 AUGUST 2015 TO 31 DECEMBER 2016

	Note	Share capital €	Share premium €	Other reserves (Note 19) €	Accumulated losses €	Total €
Balance at 21 August 2015		-	-	-	-	-
Comprehensive income						
Net loss for the period		-	-	-	(2.912.987)	(2.912.987)
Other comprehensive loss for the period		-	-	(19.656)	-	(19.656)
Total comprehensive loss for the period		-	-	(19.656)	(2.912.987)	(2.932.643)
Transactions with owners						
Issue of share capital	18	111.696	3.614.064	-	-	3.725.760
Issue of ordinary shares to key management personnel and other parties		5.263	-	1.626.267	-	1.631.530
Shares to be issued		-	-	2.000.000	-	2.000.000
Additional capital contribution		-	-	391.443	-	391.443
Total transactions with owners		116.959	3.614.064	4.017.710	-	7.748.733
Balance at 31 December 2016		**116.959**	**3.614.064**	**3.998.054**	**(2.912.987)**	**4.816.090**

Share premium is not available for distribution.

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. The deemed distribution provisions do not apply if the ultimate shareholders are either not Cyprus tax residents or non-Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 21 AUGUST 2015 TO 31 DECEMBER 2016

	Note	21/08/2015 - 31/12/2016 €
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax		**(2.912.987)**
Adjustments for:		
Exchange difference arising on the translation and consolidation of foreign companies' financial statements		67.056
Impairment charge - intangible assets	11	312.791
Interest income	8	(3.000)
Interest expense	8	2.534
Equity-settled awards to key management personnel and other parties		1.631.530
		(902.076)
Changes in working capital:		
Decrease in receivables and loans receivable		203.689
Decrease in payables		(398.864)
Increase in tax liabilities		22.537
Cash used in operations		**(1.074.714)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of available-for-sale investments	14	(2.648.450)
Acquisition of subsidiaries, net cash outflow on acquisition	13	(65.591)
Loans granted		(100.000)
Interest received		3.000
Net cash used in investing activities		**(2.811.041)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital		3.725.760
Additional capital contribution		391.443
Proceeds from shares to be issued		2.000.000
Interest paid		(2.534)
Net cash generated from financing activities		**6.114.669**
Net increase in cash and cash equivalents		**2.228.914**
Cash and cash equivalents at end of the period	17	**2.228.914**

The notes on pages 15 to 39 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 21 AUGUST 2015 TO 31 DECEMBER 2016

1. Incorporation and principal activities

Country of incorporation

G Entertainment Group Plc (the "Company") was incorporated in Cyprus on 21 August 2015 as a Public limited company under the provisions of the Cyprus Companies Law, Cap. 113. On 16 December 2016 the Company was listed on the Emerging Companies Market of the Cyprus Stock Exchange. Its registered office is at 6 Theotoki Street, 1055, Nicosia, Cyprus.

Change of Company name

On 30 September 2016, the Company changed its name from Xinex Corporation Public Company Limited to G Entertainment Group Plc.

Principal activities and nature of operations of the Group

The principal activity of the Group is the holding of investments.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below.

Going concern basis

The Group incurred a loss of €2.912.987 for the period from 21 August 2015 to 31 December 2016 resulting in accumulated losses of €2.912.987 at 31 December 2016. Despite this fact, the Board of Directors considers the Group to be able to continue as a going concern, given that the period from 21 August 2015 to 31 December 2016 represented the period of establishment and early stage of development of the Group. The Group was supported by its investors during this period and continues to have such support after the end of the period.

Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. These consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets.

Adoption of new and revised IFRSs

In the current period, the Group has adopted all of the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on or after 21 August 2015. The adoption of these Standards did not have a material effect on the accounting policies of the Group.

Standards issued but not yet effective

(i) Adopted by the European Union
New standards
- IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1 January 2018).
- IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018).

(ii) Not adopted by the European Union
New standards
- IFRS 14 "Regulatory Deferral Accounts" (effective for annual periods beginning on or after 1 January 2016).
- IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019).

2. Significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

(ii) Not adopted by the European Union (continued)

Amendments

- Amendments to IFRS2: Classification and Measurement of Share-based Payment Transactions (effective for annual periods beginning on or after 1 January 2018).
- Clarifications to IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018).
- IAS 7 (Amendments) "Disclosure Initiative" (effective for annual periods beginning on or after 1 January 2017).
- IAS 12 (Amendments) "Recognition of Deferred Tax Assets for Unrealised Losses" (effective for annual periods beginning on or after 1 January 2017).
- Annual Improvements to IFRSs 2014–2016 Cycle (effective for annual periods beginning on or after 1 January 2017/2018)

New IFRICs

- IFRIC Interpretation 22 "Foreign Currency Transactions and Advance Consideration" (effective for annual periods beginning on or after 1 January 2018).

The Group is in the process of evaluating the effect that the adoption of the above standards will have on the consolidated financial statements of the Group and it does not intend to early adopt any of them. The Group expects that the most significant impact will result from the below new standards that have been issued but are not yet effective:

- **IFRS 9 "Financial Instruments"**
  IFRS 9 (as revised in 2014) will supersede IAS 39 "Financial Instruments: Recognition and Measurement" upon its effective date and contains the requirements for the classification and measurement of financial assets and financial liabilities, the impairment methodology and general hedge accounting.

  Phase 1: Classification and measurement of financial assets and financial liabilities

  All recognized financial assets that are currently within the scope of IAS39 will be subsequently measured at either amortized cost or fair value. Specifically:

  - a debt instrument that is held within a business model objective is to collect the contractual cash flows and has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding must be measured at amortized cost (net of any write down for impairment) unless the asset is designated at fair value through profit and loss (FTVPL) under the fair value option.
  - a debt instrument that is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets and has contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, must be measured at fair value though other comprehensive income (FVTOCI), unless the asset is designated at FVTPL under the fair value option.
  - all other debt instruments must be measured at FVTPL.
  - all equity investments are to be measured in the statements of financial position at fair value, with gains and losses recognized in profit and loss except that if an equity instrument is not held for trading, nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, an irrevocable election can be made at initial recognition to measure the investment at FVOCI, with dividend income recognized in profit and loss.

2. Significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

- **IFRS 9 "Financial Instruments" (continued)**

Regarding financial liabilities, one major change is in the presentation of changes in the fair value of the financial liability designated as at FVTPL attributable to changes in the credit risk of that liability. Under IFRS 9 such changes are presented in other comprehensive income, unless the presentation of the effect of the change in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit and loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit and loss.

Phase 2: Impairment of financial assets

The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial recognition.

Phase 3: Hedge accounting

The general hedge accounting requirements of IFRS 9 retain the three types of hedge accounting mechanisms in IAS 39, however it broadens the types of instruments that qualify as hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship". Retrospective assessment of hedge effectiveness is no longer required, however far more disclosure requirements about an entity's risk have been introduced.

Transitional provisions

If an entity elects to apply IFRS 9 early, it must apply all of the requirements in IFRS 9 at the same time, except for those relating to:

- the presentation of fair value gains and losses attributable to changes in the credit risk of financial liabilities designated as at FVTPL, the requirements of which an entity may early apply without applying the other requirements in IFRS 9; and
- hedge accounting, for which an entity may choose to continue to apply the hedge accounting requirements of IAS 39 instead of the requirements of IFRS 9.

Basis of consolidation

The Company has subsidiary undertakings for which section 142(1)(b) of the Cyprus Companies Law Cap. 113 requires consolidated financial statements to be prepared and laid before the Company at the Annual General Meeting. The Group consolidated financial statements comprise the financial statements of the parent company G Entertainment Group Plc, the financial statements of the subsidiary G Entertainment Limited, and the subsidiaries listed in note 12.

The financial statements of all the Group companies are prepared using uniform accounting policies. All inter-company transactions and expenses between the Group companies have been eliminated during consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2. Significant accounting policies (continued)

Basis of consolidation (continued)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

2. Significant accounting policies (continued)

Business combinations (continued)

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired undertaking at the date of acquisition. Goodwill on acquisition of subsidiaries is included in "intangible assets".

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an undertaking include the carrying amount of goodwill relating to the undertaking sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Segmental reporting

The Group operates in one operating segment, the investment segment. The Group operates in two geographical segments: Cyprus and the United Kingdom. The Group does not present geographical segment financial information as no revenue or non-current assets other than financial instruments exist for the period from 21 August 2015 to 31 December 2016.

Finance Income

Finance income includes interest income which is recognised based on an accruals basis.

Finance Costs

Interest expense is charged to profit or loss as incurred.

Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates, the Euro (€) (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Euro, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

2. Significant accounting policies (continued)

Foreign currencies (continued)

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income and then in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income and then in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Euro using exchange rates prevailing on the reporting date. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Income tax

Income tax expense represents the sum of the income tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current income tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the consolidated statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such 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.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

2. Significant accounting policies (continued)

Income tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Operating leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

<u>Receivables</u>

Receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

<u>Investments</u>

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs and are classified as follows:

- <u>Available-for-sale investments</u>

  Available for sale financial assets are non-derivatives that are either designated as available for sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

  Available for sale investments are those acquired and held for an unspecified period of time and may be sold to cover cash flow deficiencies, fluctuations in interest rates, exchange rates or other security prices. For available-for-sale investments, gains and losses arising from changes in fair value are recognised in other comprehensive income and then in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the profit or loss for the period. Impairment losses recognised in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

2. Significant accounting policies (continued)

Financial instruments (continued)

Investments (continued)

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity specific inputs. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss, while translation differences on non-monetary securities are recognised in other comprehensive income. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss as gains and losses on available-for-sale financial assets.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of investments is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale investments the cumulative loss which is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity and recognised in profit or loss.

For investments measured at amortised cost, if in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available for sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available for sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Payables

Payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

2. Significant accounting policies (continued)

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Share based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognized for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is measured again, with any changes in fair value recognized in profit or loss for the year.

2. Significant accounting policies (continued)

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

3. Financial risk management

Financial risk factors
The Group is exposed to market price risk, interest rate risk, credit risk, liquidity risk, currency risk, operational risk, litigation risk, reputation risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

3.1 Market price risk
Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Group's available-for-sale financial assets are susceptible to market price risk arising from uncertainties about future prices of the investments.

3.2 Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

At the reporting date the interest rate profile of interest- bearing financial instruments was:

	2016
	€
Fixed rate instruments	
Financial assets	100.000
	100.000

3.3 Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument, leading to a financial loss. The Group is exposed to credit risk from its operating activities - primarily from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2016
	€
Loans to director	103.000
Cash at bank	2.228.914
	2.331.914

3. Financial risk management (continued)

3.3 Credit risk (continued)

3.3.1 Credit quality of financial assets

The table below shows an analysis of the Company's bank deposit by the credit rating of the bank in which they are held:

	2016
	€
Bank group based on credit ratings by Moody's	
Ba1	2.228.814
Caa3	100
	2.228.914

3.4 Liquidity risk
Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

31 December 2016	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Other creditors	4.971	4.971	4.971	-	-	-	-
Other payables to related parties	8.790	8.790	8.790	-	-	-	-
Payables to shareholders	67.478	67.478	67.478	-	-	-	-
	81.239	81.239	81.239	-	-	-	-

3.5 Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's measurement currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the British Pound. The Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

	Liabilities 2016	Assets 2016
	€	€
British Pounds	(67.478)	2.613.239
	(67.478)	2.613.239

3. Financial risk management (continued)

3.5 Currency risk (continued)

Sensitivity analysis
A 10% strengthening of the Euro against the following currencies at 31 December 2016 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the Euro against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

	Profit or loss 2016
British Pounds	25.458

3.6 Operational risk
Operational risk is the risk that derives from the deficiencies relating to the Group's information technology and control systems as well as the risk of human error and natural disasters. The Group's systems are evaluated, maintained and upgraded continuously.

3.7 Litigation risk
Litigation risk is the risk of financial loss, interruption of the Group's operations or any other undesirable situation that arises from the possibility of non-execution or violation of legal contracts and consequentially of lawsuits. The risk is restricted through the contracts used by the Group to execute its operations.

3.8 Reputation risk
The risk of loss of reputation arising from the negative publicity relating to the Group's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Group. The Group applies procedures to minimize this risk.

3.9 Capital risk management
The Group's objectives in managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Fair value estimation

The fair values of the Group's financial assets and liabilities approximate their carrying amounts at the reporting date.

Fair value measurements recognised in consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3. Financial risk management (continued)

Fair value estimation (continued)

31 December 2016	Level 1 €	Level 2	Level 3 €	Total
Financial assets				
Available for sale investments	-	2.613.239	-	2.613.239
Total	**-**	**2.613.239**	**-**	**2.613.239**

Valuation techniques and key inputs

Available-for-sale investments as at 31 December 2016, represent investments in start-up unlisted entities and participation rights in a live stage production (Note 14).The fair value of available-for-sale investments at 31 December 2016 represents the acquisition cost at initial recognition, translated by the period-end exchange rate for investments denominated in a foreign currency. The Board of Directors considers that cost is the most appropriate approximation of the fair value of the available-for-sale investments as at 31 December 2016.

4. Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

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

The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Critical judgements in applying accounting policies

- **Deferred tax assets**

  Deferred tax assets are recognised by the Group to the extent that is probable that future taxable profits will be available and can be utilised. The Group has not recognised any deferred tax asset due to the fact that the period from 21 August 2015 to 31 December 2016 represented the period of establishment and early stage of development of the Group and any estimation of future results and their timing may be uncertain.

Key sources of estimation uncertainty

- **Fair value of financial assets**

  The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the financial assets available for sale has been estimated based on the fair value of these individual assets.

  Information about the fair value of financial assets is disclosed in notes 3 and 14.

4. Critical accounting estimates and judgements (continued)

- **Impairment of goodwill**

  Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units of the Group on which the goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating units using a suitable discount rate in order to calculate present value.

  Impairment loss of goodwill of €312.791 was recognised during the period. Details on the impairment loss are set out in note 11.

5. Other expenses

	21/08/2015 - 31/12/2016 €
Equity-settled awards to key management personnel and other parties	1.631.530
Impairment charge - goodwill	312.791
	1.944.321

On 3 October 2016, the Board Of Directors decided on the basis of the Share Plan, pursuant to the resolution approved by the Extraordinary General Meeting dated 26 September 2016, to issue and allot 42.104.000 ordinary shares of nominal value €0,0001 per share to key management personnel and 10.526.000 shares of nominal value €0,0001 per share to a third party.

As per International Financial Reporting Standard (IFRS) 2 "Share-based Payments" the equity-settled award granted to key management personnel was recognized at fair value on the grant date of €0,031.

Regarding the free shares granted to the third party, no service conditions were imposed, hence the fair value of the goods or services received could not be estimated reliably. As a result, the equity-settled award granted to the third party was recognized at fair value on the grant date of €0,031.

Fair value on the grant date was estimated according to a similar transaction of share issue to investors.

The total value of the equity instruments issued of €1.631.530 was recognized as other expense in the current period as the Share Plan did not include any vesting conditions. According to the contractual agreement, 50% of the allotted shares may be sold 6 months following the listing date of 16 December 2016, whereas the remaining 50% may be sold 12 months following the listing date. The difference between the nominal value of the ordinary shares issued and the fair value of the equity instrument was recognized as an equity-settled awards reserve (note 19) of €1.626.267.

6. Operating loss

	21/08/2015 - 31/12/2016 €
Operating loss is stated after charging the following items:	
Staff costs - key management personnel (Note 7)	18.098
Auditors' remuneration for the statutory audit of annual financial statements	32.500
Auditors' remuneration for non-statutory audit	17.578
Auditors' remuneration for tax compliance services	2.000
Legal fees	122.131
Other professional fees	433.394
Executive directors consultancy fees (Note 22)	130.732
Non-executive directors fees (Note 22)	5.000
Consulting fees - key management personnel (Note 22)	102.782
Consulting services from related parties (Note 22)	21.413
Impairment charge - goodwill (included in "Other expenses") (Note 11)	312.791

7. Staff costs

	21/08/2015 - 31/12/2016 €
Salaries- key management personnel	16.652
Social insurance and other contributions - key management personnel	1.446
	18.098

The average number of employees employed by the Group during the period 2016 was 1.

8. Net Finance costs

	21/08/2015 - 31/12/2016 €
Interest income (Note 22)	3.000
Finance income	3.000
Net foreign exchange losses	(59.999)
Interest expense	(2.534)
Finance costs	(62.533)
Net finance costs	(59.533)

9. Income tax

9.1 Income tax recognised in profit or loss

	21/08/2015 - 31/12/2016 €
Corporation tax - current period	-
Charge for the period	-

The total charge for the year can be reconciled to the accounting results as follows:

	21/08/2015 - 31/12/2016 €
Loss before income tax	(2.912.987)
Income tax calculated at the applicable tax rates	(364.123)
Effect of different tax rates in other countries	(28.348)
Tax effect of expenses not deductible for income tax purposes	321.941
Tax effect of tax loss for the period	70.530
Tax charge	-

The tax rate used for the reconciliation above is the corporate tax rate of 12,5% payable by corporate entities in Cyprus on taxable profits under Cyprus tax law.

The current rate of UK corporation tax is 20 per cent. A reduction in the UK corporation tax rate from 20 per cent to 19 per cent (effective from 1 April 2017) and to 17 per cent (effective from 1 April 2020) was substantively enacted in October 2015.

9. Income tax (continued)

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

The Group has unused tax losses of €70.530 for which no deferred tax asset has been recognised.

10. Loss per share and net assets per share

	21/08/2015 - 31/12/2016
Loss for the period (€)	(2.912.987)
Weighted average number of ordinary shares in issue during the period	1.030.352.986
Loss per share (cent)	(0,28)
Net assets as at 31 December 2016 (€)	4.816.090
Weighted average number of ordinary shares in issue during the period	1.030.352.986
Net assets per share (cent)	0,47

11. Intangible assets

	Goodwill €
Additions from acquisitions of subsidiaries	312.791
Impairment charge	(312.791)
Balance at 31 December 2016	-

Goodwill represents the premium paid to acquire G Entertainment Limited on 22 December 2015 and is measured at cost less any accumulated impairment losses. Impairment charge of €312.791 was recognised in statement of profit or loss and other comprehensive income as the subsidiary is in a net liabilities position as at 31 December 2016.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 21 AUGUST 2015 TO 31 DECEMBER 2016

12. Subsidiaries

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Direct Holding %	Indirect Holding %
G Entertainment Limited	United Kingdom	Holding of investments	100	-
G Entertainment Sports Limited	United Kingdom	Dormant	-	100
G Entertainment Racing Club Limited	United Kingdom	Dormant	-	100

On 22 December 2015 the Company acquired 100% of the share capital of G Entertainment Limited. The transaction involved the purchase of shares at GBP50.000 (€67.478).

On 20 September 2016, the Group incorporated and subscribed for 100% of the share capital of G Entertainment Sports Ltd and G Entertainment Racing Club Ltd, both incorporated in the United Kingdom, for a total consideration of GBP10.000 each.

13. Acquisition of subsidiary

On 22 December 2015 the Group acquired 100% of the share capital of G Entertainment Limited. The transaction involved the exchange of shares with total value GBP50.000 (€67.478) and has been accounted for by the purchase method of accounting.

	G Entertainment Limited €	Total €
Consideration transferred	67.478	67.478
Add: Carrying amount of the net liabilities acquired	292.713	292.713
Exchange difference	(47.400)	(47.400)
Goodwill arising on consolidation:	**312.791**	**312.791**

The assets and liabilities acquired were as follows:

	G Entertainment Limited €	Acquiree's carrying amount before combination €
Receivables	143.069	143.069
Cash at bank	1.887	1.887
Loans receivable	100.187	100.187
Trade payables	(537.856)	(537.856)
Net liabilities	(292.713)	(292.713)

Net cash outflow on acquisition of subsidiaries	**21/08/2015 - 31/12/2016 €**
Consideration paid in cash	**(67.478)**
Cash and cash equivalents acquired	**1.887**
	(65.591)

14. Available-for-sale investments

	2016
	€
Balance at 21 August	-
Additions	2.648.450
Exchange differences recognised through other comprehensive income	(30.088)
Exchange differences recognised through profit or loss	(5.123)
Balance at 31 December	**2.613.239**

On 23 May 2016, the Group entered into a Convertible Loan Note and Subscription Agreement ("SYH Agreement") to acquire unsecured convertible loan notes ("Notes") of GBP1.103.000 (€1.319.253) in integral multiples of GBP1.000 and one share of GBP1.361 (€1.745) in Single Yard Holdings Limited ("SYH"). According to the agreement and the deeds of variation signed thereon (Note 25), the Group has the right to call on SYH to issue an additional total amount of GBP3.945.636 in Notes which will be issued in nine different tranches within 52 weeks after the listing date of 16 December 2016. When the Group proceeds with the issue of all the remaining loan notes, all loan notes will be automatically converted into 8,822 fully paid shares in SYH at a GBP572.31 conversion price, 53 weeks after listing, representing 60% participation in SYH. If the Group decides not to subscribe for a particular issue of notes, then all outstanding notes at the time held by the Group, shall automatically convert into fully paid shares in SYH at a different conversion price.

The Group holds a Warrant Certificate dated 28 May 2016 issued by SYH for the amount of 5.000 Warrants which certifies that the Group is the registered holder of 5.000 Warrants. The Warrants entitle the Group to subscribe to SYH Warrant Shares at the Subscription Price, as dictated by the SYH Agreement and the deeds of variation. The Warrants are attached to the unsecured convertible loan notes and are designed to prevent the dilution of the equity instruments, when converted. In the event that an automatic conversion of loan notes occurs, the rights of the Group to exercise the Warrants shall cease.

On 4 July 2016, the Group entered into a Convertible Loan Note and Subscription Agreement ("SSK Agreement") to acquire unsecured convertible loan notes of GBP625.000 (€730.497) in integral multiples of GBP5.000 and one share of GBP437 in SportsSideKick Limited ("SSK"). According to the agreements and the deeds of variation signed thereon (Note 25), the Group has the right to call on SSK to issue an additional total amount of GBP2.124.563 in Notes which will be issued in nine different tranches within 50 weeks after the listing date of 16 December 2016. When the Group proceeds with the issue of all the remaining loan notes, all loan notes will be automatically converted into 14.996 fully paid shares in SSK at a GBP183,36 conversion price, 50 weeks after listing, representing 60% participation in SSK. If the Group decides not to subscribe for a particular issue of notes, then all outstanding notes issued at the time held by the Group shall automatically convert into fully paid shares in SSK at a different conversion price.

The Group holds a Warrant Certificate dated 4 July 2016 issued by SSK for the amount of 20.000 Warrants, which certifies that the Group is the registered holder of 20.000 Warrants. The Warrants entitle the Group to subscribe for SSK Warrant Shares at the Subscription Price, as dictated by the SSK Agreement and the deeds of variation. The Warrants are attached to the unsecured convertible loan notes and are designed to prevent the dilution of the equity instruments, when converted. In the event that an automatic conversion of loan notes occurs, the rights of the Group to exercise the Warrants shall cease.

On 9 September 2016, the Group entered into an agreement with GL (42ND ST) LTD to subscribe for a cash consideration of GBP500.000 (€591.104) towards the total capitalization of GBP6.000.000 of a live stage production of the musical "42nd Street". According to the agreement, the Group will receive a portion (8,33%) of the available net proceeds equal to its participation in the live stage production.

For the determination of fair value of the available for sale financial assets please refer to Note 3.

15. Loans receivable

	2016
	€
Loans to directors (Note 22.3)	103.000
	103.000

15. Loans receivable (continued)

	2016
	€
Within one year	103.000

On 31 December 2015, the Group granted a loan of €100.000 to the executive director, Brooke Greville. The loan is unsecured, bears interest of 3% and is repayable on or before 31 December 2017. During the period, interest income of €3.000 was recognised in the statement of profit or loss and other comprehensive income.

The exposure of the Group to credit risk in relation to loans receivable is reported in note 3 of the consolidated financial statements.

16. Receivables

	2016
	€
Deposits and prepayments	14.334
Other taxes (Note 21)	22.537
Refundable VAT	4.276
	41.147

The fair values of receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Group to credit risk and impairment losses in relation to receivables is reported in note 3 of the consolidated financial statements.

17. Cash and cash equivalents

Cash balances are analysed as follows:

	2016
	€
Cash at bank	2.228.914
	2.228.914

The exposure of the Group to credit risk and interest rate risk in relation to cash and cash equivalents is reported in note 3 of the consolidated financial statements.

18. Share capital

	2016 Number of shares	2016 €
Authorised		
Ordinary shares of €0,0001 each	3.000.000.000	300.000
Issued and fully paid		
Issue of shares	1.169.590.000	116.959
Balance at 31 December	1.169.590.000	116.959

Authorised capital

On 21 August 2015, under its Memorandum the Company fixed its share capital at 100.000 ordinary shares of €1.00 each.

18. Share capital (continued)

On 15 January 2016, the Company increased its authorized share capital to 300.000 ordinary shares of €1.00 each. On the same date, the Company converted the authorized share capital from 300.000 ordinary shares of €1.00 each to 3.000.000.000 ordinary shares of €0.0001 each.

Issued capital

On 21 August 2015, the Company issued 100.000 ordinary shares of €1.00 each.

On 15 January 2016, the Company converted the issued share capital from 100.000 ordinary shares of €1.00 each to 1.000.000.000 ordinary shares of €0.0001 each.

On 3 October 2016 the Company made a bonus issue of 42.104.000 shares to key management personnel and 10.526.000 shares to a third party at the value of €0,031 per share. On 4 October 2017, the Company issued 116.960.000 ordinary shares to a strategic investor for the same value, resulting in a share premium of €3.614.064.

19. Other reserves

	Equity-settled awards reserve	Fair value reserve - available-for-sale investments	Additional Capital Contribution	Shares to be issued (Note 25)	Translation reserve	Total
	€	€	€	€	€	€
Exchange difference arising on the translation and consolidation of foreign companies' financial statements	-	-	-	-	10.432	10.432
Exchange differences on available-for-sale investments recognised through other comprehensive income	-	(30.088)	-	-	-	(30.088)
Additional capital contribution	-	-	391.443	-	-	391.443
Issue of ordinary shares to key management personnel and other parties as equity-settled awards	1.626.267	-	-	-	-	1.626.267
Shares to be issued	-	-	-	2.000.000	-	2.000.000
Balance at 31 December 2016	1.626.267	(30.088)	391.443	2.000.000	10.432	3.998.054

The fair value reserve for investments represents accumulated gains and losses arising on the revaluation of available-for-sale investments that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Euro) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Gains and losses on hedging instruments that are designated as hedges of net investments in foreign operations are included in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

On 21 August 2016, the nominee shareholders of the Company transferred 49.950.000 shares of €0,0001 each to 17 shareholders. No cash consideration was received as the 17 new shareholders signed an agreement where the repayment of the loans provided to the subsidiary company, G Entertainment Limited, was forgiven in exchange of shares in the Company. The difference between the amount of loans waived and the nominal value of the ordinary shares of €391.443 was recognized as additional capital contribution.

On 3 October 2016, the Board of Directors decided on the basis of the Share Plan, pursuant to the resolution approved by the Extraordinary General Meeting dated 26 September 2016, to issue and allot 42.104.000 ordinary shares of nominal value €0,0001 per share to key management personnel and 10.526.000 shares of nominal value €0,0001 per share to a third party. As per International Financial Reporting Standard (IFRS) 2 "Share-based Payments" the equity-settled award granted to key management personnel was recognized at fair value on the grant date of €0,031. Regarding the free shares granted to the third party, no service conditions were imposed, hence the fair value of the goods or services received could not be estimated reliably. As a result, the equity-settled award granted to the third party was recognized at fair value on the grant date of €0,031. The difference between the nominal value of the ordinary shares issued and the fair value of the equity instrument was recognized as an equity-settled awards reserve of €1.626.267.

On 3 January 2017 the Company issued 20.000.000 ordinary shares for €0.10 per share to Crystal Voyage Limited. The subscription agreement was signed on 10 October 2016 and on 31 December 2017 the Company received €2.000.000 for the shares. The amount was recognised as a shares to be issued reserve.

20. Payables

	2016
	€
Payables to shareholders (Note 22.5)	67.478
Accruals	61.434
Other creditors	4.971
Accrued non-executive directors' fees (Note 22.4)	5.000
Other payables to related parties (Note 22.4)	8.790
	147.673

The fair values of payables due within one year approximate to their carrying amounts as presented above.

21. Current tax liabilities

	2016
	€
Overseas tax	22.537
	22.537

The Group has made a provision of GBP19.230 (€22.537) for overseas corporation tax payable under Section 455 Corporation Tax Act 2010 of the United Kingdom, on a loan to a director (note 15). The overseas corporation tax is refundable on repayment of the loan and a corresponding debit balance of €22.537 as other taxes has been recognized in receivables in note 16.

22. Related party balances and transactions

The key shareholders of the Company are Mr Zheng Yongxiong, Blackrun Ventures Limited, Jenwell Limited and Lottalot Limited.

The related party balances and transactions are as follows:

22.1 Transactions with related parties

Name	Nature of transactions	21/08/2015 - 31/12/2016 €
Sports Trading Network Limited	Rent	29.541
Other related party	Consulting services	21.413

On 29 April 2016, the Group entered into an agreement with the related company, Sports Trading Network Limited, for the provision of shared office space. The agreement is valid until 1 February 2017.

On 1 June 2016, the Group entered into a consultancy agreement with Mical Greville, for the provision of consultancy services for GBP2.500 per month. The agreement is valid until either of the two parties provides one month notice for the termination of the agreement.

22. Related party balances and transactions (continued)

22.2 Transactions with key management personnel

	21/08/2015 - 31/12/2016
	€
Executive directors consultancy fees	130.732
Non-executive directors fees	5.000
Interest income on director's loan	3.000
Wages and salaries - key management personnel	16.652
Social insurance and other contributions - key management personnel	1.446
Consulting fees - key management personnel	102.782
Equity-settled awards to key management personnel	1.305.224

On 1 June 2016, the Group entered into a consultancy agreement with the executive director, Brooke Greville, for the provision of consultancy services as Chief Executive Officer for GBP8.000 per month. The agreement is valid until either of the two parties provides a six months' notice for the termination of the agreement.

On 1 June 2016, the Group entered into a consultancy agreement with Bryant Park Consulting Ltd for the provision of consultancy services by the executive director, Richard Carter for GBP8.000 per month. The agreement is valid until either of the two parties provides a six months' notice for the termination of the agreement.

On 28 September 2015, the Group entered into a consultancy agreement with Zoe Fiddes for the provision of consultancy services for GBP7.000 per month. The agreement was terminated on 30 August 2016.

On 30 August 2016, the Group entered into a consultancy agreement with Haringrey Park Consultants for the provision of consultancy services by Zoe Fiddes for GBP7.000 per month until 30 December 2016 and GBP8.000 thereafter. The agreement is valid until either of the two parties provides a three months' notice for the termination of the agreement.

On 3 October 2016, the Board Of Directors decided on the basis of the Share Plan, pursuant to the resolution approved by the Extraordinary General Meeting dated 26 September 2016, to issue and allot 42.104.000 ordinary shares of nominal value €0,0001 per share to key management personnel. As per International Financial Reporting Standard (IFRS) 2 "Share-based Payments" the equity-settled award granted to key management personnel was recognized at fair value on the grant date of €0,031 (Note 5).

22.3 Loans to directors (Note 15)

	2016
	€
Brooke Greville	103.000
	103.000

On 31 December 2015, the Company granted a loan of €100.000 to the director, Brooke Greville. The loan is unsecured, bears interest of 3% and is repayable on or before 31 December 2017. During the period, interest income of €3.000 was recognised in the statement of profit or loss and other comprehensive income.

22.4 Payables to related parties (Note 20)

	2016
Name	€
Accrued non-executive directors' fees	5.000
Accrued liabilities - key management personnel	820
Other payables to related parties	8.790

22. Related party balances and transactions (continued)

22.5 Payables to shareholders (Note 20)

	2016 €
Shareholders	67.487
	67.487

Payables to shareholders represent payable for the acquisition of the subsidiary company, G Entertainment Limited, which was previously owned by some of the current shareholders of the Company.

23. Contingent liabilities

The Group had no contingent liabilities as at 31 December 2016.

24. Commitments

Operating lease commitments
The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2016 €
Within one year	8.797
	8.797

25. Events after the reporting period

On 3 January 2017 the Company issued 20.000.000 ordinary shares for €0.10 per share to Crystal Voyage Limited. The subscription agreement was signed on 10 October 2016 and on 31 December 2017 the Company received €2.000.000 for the shares. On 28 February 2017 the Company entered into another subscription agreement with Crystal Voyage for the issue 10.526.300 ordinary shares for €0.095 per share.

On 9 January 2017 the Group invested a further €692.000 (GBP600.000) in SportsSideKick Limited in unsecured, not guaranteed, convertible loan notes. On 1 February 2017 the Group revised the investment schedule of SportsSideKick Ltd, extending the completion of the investment schedule from 35 weeks after listing date of 16 December 2016 to 42 weeks after listing date. On 2 March 2017 the Group revised the investment schedule of SportsSideKick Ltd, extending the completion of the investment schedule from 42 weeks after listing date of 16 December 2016 to 47 weeks after listing date. On 10 April 2017 the Group revised the investment schedule of SportsSideKick Ltd, extending the completion of the investment schedule from 47 weeks after listing date of 16 December 2016 to 50 weeks after listing date.

On 11 January 2017 the Group invested a further €922.000 (GBP800.000) in Single Yard Holdings Limited in unsecured, not guaranteed, convertible loan notes. On 3 February 2017 the Group revised the investment schedule of Single Yard Holdings Ltd, extending the completion of the investment schedule from 35 weeks after listing date of 16 December 2016 to 42 weeks after listing date. On 1 March 2017 the Group revised the investment schedule of Single Yard Holdings Ltd, extending the completion of the investment schedule from 42 weeks after listing date of 16 December 2016 to 48 weeks after listing date. On 7 April 2017 the Group revised the investment schedule of Single Yard Holdings Ltd, extending the completion of the investment schedule from 48 weeks after listing date of 16 December 2016 to 52 weeks after listing date.

On 2 March 2017 the Group entered into an agreement with GL (42ND ST) LTD to subscribe for a cash consideration of €702.074 (GBP600.000) thus increasing the Group's participation in the live stage production from 8,33% to 18,33%. On 16 March 2017 the Group entered into an additional agreement with GL (42ND ST) LTD for a cash consideration of €229.692 (GBP200.000) thus increasing the Company's participation in the live stage production from 18,33% to 21,67%.

25. Events after the reporting period (continued)

On 24 March 2017 the Company at an Extraordinary General Meeting decided the following:

- conversion of the nominal value of shares from €0.0001 per share to €0.01 per share resulting in:
  - conversion of the authorised share capital from 3.000.000.000 of €0.0001 each to 30.000.000 shares of €0.01 each
  - conversion of the issued share capital from 1.200.116.300 shares of €0.0001 each to 12.001.163 shares of €0.01 each

- increase of the authorised share capital from 30.000.000 shares of €0.01 each to 800.000.000 shares of €0.01 each.

- the Board of Directors is authorised to issue and allot of up to 10% of authorised share capital (80.000.000 shares) to strategic investors.

On 24 March 2017 the Company gave notice that an Extraordinary General Meeting of the shareholders will be held by the Company on 19 April 2017 for the issue and allotment of 660.063.965 bonus shares of €0.01 each, through capitalisation of the share premium reserve.

On 30 March 2017, the Board of Directors of the Company decided that the record date for effecting the change of the nominal value of the shares from €0,0001 to €0,01 per share will be the 11th of April 2017.

On 4 April 2017 the Company announced an additional investment of €400.000 by a strategic investor. The issue and allotment of the new shares to the strategic investors will take place after the issue and listing of bonus shares to the existing shareholders, as mentioned above.

On 7 April 2017, the Cyprus Stock Exchange announced the suspension of trading of the Company's shares from 11 April 2017 to 20 April 2017, due to the reverse split of the nominal value of the Company's shares from €0,0001 to €0,01 per share. In addition, further to the Company's request to extend the period of suspension of trading of its titles until 5 May 2017 due to the planned issuance of bonus shares to existing shareholders, the Stock Exchange announced that the titles will remain suspended from 21 April 2017 until 5 May 2017. The trading of the Company's shares will resume on 8 May 2017.

On 19 April 2017, the shareholders of the Company in an Extraordinary General Meeting ("EGM") approved a special resolution for the issue and allotment of bonus shares. Specifically, following the change of the nominal value of the shares of the Company and the increase of the authorized share capital of the Company approved by the EGM on 24 March 2017, the Board of Directors of the Company was authorized to proceed with the issue and allotment of 660,063,965 of bonus shares of €0.01 nominal value each (the "Bonus Shares") with the capitalization of the share premium reserve account of €6,600,639.65. The Bonus Shares will be credited as fully paid-up shares to the holders of the existing shares of the Company in the proportion of 55 ordinary shares for every 1 existing ordinary share.The Bonus Shares allotted will rank pari passu in all respects and carry the same rights as the existing Shares of the Company, and will be transferable and traded on the Emerging Companies Market of the Cyprus Stock Exchange following their listing. The bonus shares have not yet been listed. Due to the nominal value change the previously 1.200.116.300 shares are to be replaced with 12.001.163 new shares.

Independent auditor's report on pages 7 to 10

G ENTERTAINMENT GROUP PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 21 AUGUST 2015 TO 31 DECEMBER 2016

G ENTERTAINMENT GROUP PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 21 AUGUST 2015 TO 31 DECEMBER 2016

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BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	**Executive Directors** Brooke Rene Southwell Guy Greville - Appointed on 21 August 2015 Richard James Carter - Appointed on 21 August 2015 Zheng Yongxiong - Appointed on 13 January 2017 Jason Fong - Appointed on 4 April 2017 Wei Wang - Appointed on 4 April 2017 **Non-executive Directors** John Pitsillos - Appointed on 15 November 2016 Actionor Nominees Ltd - Appointed on 21 August 2015 and resigned on 21 September 2016 Amphipolis Administrative Services Limited - Appointed on 21 September 2016
Company Secretary:	Actionor Secretarial Limited - Appointed on 21 August 2015 and resigned on 21 September 2016 Amphipolis Secretarial Services Limited - Appointed on 21 September 2016
Independent Auditors:	Deloitte Limited Certified Public Accountants and Registered Auditors 24 Spyrou Kyprianou Avenue 1075 Nicosia Cyprus
Legal Advisers:	Nicholas A. Poumbourides LLC Shakespeare Martineau LLP
Registered office:	6 Theotoki Street 1055 Nicosia Cyprus
Banker:	Eurobank Cyprus Ltd
Registration number:	346401

MANAGEMENT REPORT
FOR THE PERIOD FROM 21 AUGUST 2015 TO 31 DECEMBER 2016

The Board of Directors presents its first Management Report and audited financial statements of G Entertainment Group Plc (the "Company") for the period from 21 August 2015 to 31 December 2016.

Incorporation
The Company was incorporated in Cyprus on 21 August 2015 as a public limited company under the provisions of the Cyprus Companies Law, Cap. 113. On 16 December 2016 the Company was listed on the Emerging Companies Market of the Cyprus Stock Exchange.

Principal activity and nature of operations of the Company
The principal activity of the Company is the holding of investments.

Change of Company name
On 30 September 2016, the Company changed its name from Xinex Corporation Public Company Limited to G Entertainment Group Plc.

Review of current position, future developments and performance of the Company's business
The results of this year are not considered satisfactory and the Board of Directors is making an effort to reduce the Company's losses. Despite the loss this year the Company's development to date and the financial position as reflected in the financial statements are satisfactory.

Principal risks and uncertainties
The principal risks and uncertainties faced by the Company are disclosed in note 3 of the financial statements.

Existence of branches
The Company does not maintain any branches.

Use of financial instruments by the Company
The Company is exposed to market price risk, interest rate risk, credit risk, liquidity risk and currency risk arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

Market price risk
Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Company's available-for-sale financial assets are susceptible to market price risk arising from uncertainties about future prices of the investments.

Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets. The Company is exposed to interest rate risk in relation to cash at bank. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities - primarily receivables from related parties and cash at bank. The Company has policies in place for monitoring its credit risk exposure.

Liquidity risk
Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the British Pound. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Results
The Company's results for the period are set out on page 10.

Dividends
The Company did not have any distributable profits as at 31 December 2016, thus the Board of Directors cannot recommend the payment of a dividend.

Share capital
Authorized capital
On 21 August 2015, under its Memorandum the Company fixed its share capital at 100.000 ordinary shares of €1,00 each.

On 15 January 2016, the Company increased its authorized share capital to 300.000 ordinary shares of €1,00 each. On the same date, the Company converted the authorized share capital from 300.000 ordinary shares of €1,00 each to 3.000.000.000 ordinary shares of €0,0001 each.

Issued capital
On 21 August 2015, the Company issued 100.000 ordinary shares of €1.00 each.

On 15 January 2016, the Company converted the issued share capital from 100.000 ordinary shares of €1,00 each to 1.000.000.000 ordinary shares of €0.0001 each.

On 3 October 2016 the Company made a bonus issue of 42.104.000 shares to key management personnel and 10.526.000 shares to a third party at the value of €0,031 per share. On 4 October 2016, the Company issued 116.960.000 ordinary shares to a strategic investor for the same value, resulting in a share premium of €3.614.064.

Board of Directors
The members of the Company's Board of Directors as at 31 December 2016 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the period from 21 August 2015 to 31 December 2016 except from Actionor Nominees Ltd that has resigned on 21 September 2016 and the same date replaced by Amphipolis Administrative Services Ltd.

Dr. John Pitsillos and Mr. Zheng Yongxiong were appointed to the Board of Directors on 15 November 2016 and 13 January 2017 respectively. Mr. Jason Fong and Ms. Wei Wang were appointed to the Board of Directors on 4 April 2017.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

Directors' Shareholdings
The beneficial interest in the Company's share capital owned by the Directors, their spouses and minor children and by companies in which they hold directly or indirectly at least 20% of the voting rights in a general meeting at 31 December 2016 and 22 April 2017 (5 days before the date of approval of the financial statements) was as follows:

	22 April 2017		31 December 2016	
	No. of Shares	**% of capital**	**No. of Shares**	**% of capital**
Brooke Southwell Guy Rene Greville	5.894.560	0,90%	10.526.000	0,90%
Richard James Carter	5.894.560	0,90%	10.526.000	0,90%
Zheng Yongxiong	295.179.528	43,90%	496.580.000	42,50%
	306.968.648	45,70%	517.632.000	44,30%

MANAGEMENT REPORT
FOR THE PERIOD FROM 21 AUGUST 2015 TO 31 DECEMBER 2016

Shareholders with more than 5% of share capital
The following shareholders held directly or indirectly over 5% of the Company's issued share capital at 31 December 2016 and 22 April 2017 (5 days before the date of approval of the financial statements):

	22 April 2017	31 December 2016
Zheng Yongxiong	43,90%	42,50%
Blackrun Ventures Limited	9,90%	10,20%
Jenwell Limited	9,90%	10,20%
Lottalot Limited	12,90%	13,20%
	76,60%	76,10%

Vicky Hui Xu owns 100% of Jenwell Ltd and indirectly through her wholly owned company, Areteos Venture Investment Group Limited, 50% of Lottalot Limited and 50% of Blackrun Venture Limited via her wholly owned companies, Maetel Capital Limited, The Hon Organisation and Areteos Venture Investment Group Limited.

Events after the reporting period
Any significant events that occurred after the end of the reporting period are described in note 20 to the financial statements.

Independent Auditors
The independent auditors, Deloitte Limited, who on 17 November 2016 were appointed by the Board of Directors as the Company's first auditors, have expressed their willingness to continue in office and a resolution authorizing the Board of Directors to fix their remuneration will be submitted at the forthcoming Annual General Meeting.

By order of the Board of Directors,

Brooke Southwell Guy Rene Greville
Director

Nicosia, 27 April 2017

DECLARATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE COMPANY OFFICIALS RESPONSIBLE FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

In accordance with Article 140 (1) of the Law and Regulations of the Cyprus Stock Exchange we, the members of the Board of Directors and the Company officials responsible for the financial statements of G Entertainment Group Plc (the "Company") for the period from 21 August 2015 to 31 December 2016, on the basis of our knowledge, declare that:

(a) The annual financial statements of the Group which are presented on pages 10 to 31:

(i) have been prepared in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and

(ii) provide a true and fair view of the particulars of assets and liabilities, the financial position and profit or loss of the Group and the entities included in the financial statements as a whole and

b) The management report provides a fair view of the developments and the performance as well as the financial position of the Group as a whole, together with a description of the main risks and uncertainties which the Company faces.

Members of the Board of Directors:

Name	Position	Signature
Brooke Rene Southwell Guy Greville	Executive Director	....
Richard James Carter	Executive Director	....
Zheng Yongxiong	Executive Director	....
Jason Fong	Executive Director	....
Wei Wang	Executive Director	....
John Pitsillos	Non-executive Director	....
Amphipolis Administrative Services Limited	Non-executive Director	....

Responsible for drafting the financial statements

Name	Position	Signature
Alison Bolt	Financial Controller	....

Nicosia, 27 April 2017

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Deloitte Limited
24 Spyrou Kyprianou Avenue
CY-1075 Nicosia, Cyprus
Mail: P.O.Box 21675
CY-1512 Nicosia, Cyprus

Tel: +357 22 360 300
Fax: +357 22 360 400
infonicosia@deloitte.com
www.deloitte.com/cy

Independent Auditor's Report

To the Members of G Entertainment Group Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of G Entertainment Group Plc (the "Company"), which are presented in pages 10 to 31 and comprise the statement of financial position as at 31 December 2016, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the period from 21 August 2015 to 31 December 2016, 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 as at 31 December 2016, and of its financial performance and its cash flows for the period from 21 August 2015 to 31 December 2016 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

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 our 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 Cyprus, 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.

Board Members: Christis M. Christoforou (Chief Executive Officer), Eleftherios N. Philippou, Nicos S. Kyriakides, Nicos D. Papakyriacou, Athos Chrysanthou, Costas Georghadjis, Antonis Taliotis, Panos Papadopoulos, Pieris M. Markou, Nicos Charalambous, Nicos Spanoudis, Maria Paschalis, Alexis Agathocleous, Alkis Christodoulides, Christakis Ioannou, Panicos Papamichael, Christos Papamarkides, George Martides, Kerry Whyte, Andreas Georgiou, Christos Neocleous, Demetris Papapericleous, Andreas Andreou, Alecos Papalexandrou, George Pantelides, Panayiota Vayianou, Agis Agathocleous, Gaston Hadjianastassiou, Kypros Ioannides, Yiannis Sophianos, Kyriakos Vlachos, Michael Christoforou (Chairman Emeritus).

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Member of Deloitte Touche Tohmatsu Limited

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Independent Auditor's Report (continued)

To the Members of G Entertainment Group Plc

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Fair value measurement of available-for-sale investments The Company holds available-for-sale investments of €1.880.250 as at 31 December 2016 (Notes 3 and 11) which are presented at fair value. The fair value of available for sale investments was determined to be their cost at the respective transaction dates and at 31 December 2016 was also determined to be the acquisition cost, translated by the period-end exchange rate for investments denominated in a foreign currency. The fair value of the available-for-sale investments is considered a key audit matter due to the significant judgements required by management to assess whether cost approximates fair value on initial recognition and period-end. Available-for-sale investments as at 31 December 2016 represent shares, convertible loan notes and participation rights in unlisted entities.	• We have assessed the management's processes and controls around the fair valuation of unlisted investments. • We assessed whether the measurement of fair value by management is reasonable and in accordance with IFRS requirements and at 31 December 2016 approximated cost at initial recognition. • We involved our internal valuation experts to assess the appropriateness of management assumptions and inputs for the estimation of the fair values at the respective acquisition dates and 31 December 2016. • We assessed whether the fair value of the investments at period-end has changed compared to that on initial recognition. • We evaluated whether the disclosures in the financial statements adequately reflect the hierarchy of the fair value of available for sale investments, especially considering that the fair value measurements are not derived from market data.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management 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.

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Independent Auditor's Report (continued)

To the Members of G Entertainment Group Plc

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

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 skepticism 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 our 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 Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 a true and fair view.

We communicate with the Board of Directors 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.

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Independent Auditor's Report (continued)

To the Members of G Entertainment Group Plc

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 to 2016, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of these books.
- The Company's financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the management report, has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the management report.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 to 2016 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

The engagement partner on the audit resulting in this independent auditor's report is Maria Paschalis.

We have reported separately on the consolidated financial statements of the Company and its subsidiaries for the period from 21 August 2015 to 31 December 2016.

Maria Paschalis
Certified Public Accountant and Registered Auditor
for and on behalf of
Deloitte Limited
Certified Public Accountants and Registered Auditors

Nicosia, 27 April 2017

G ENTERTAINMENT GROUP PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD FROM 21 AUGUST 2015 TO 31 DECEMBER 2016

	Note	21/08/2015 - 31/12/2016 €
Administration expenses		(593.723)
Other expenses	5	(1.631.530)
Operating loss	6	(2.225.253)
Net finance costs	7	(50.524)
Loss before income tax		(2.275.777)
Income tax	8	-
Loss for the period		(2.275.777)
Other comprehensive income		
Items that may be classified subsequently to profit or loss:		
Available-for-sale investments - Fair value loss		(26.729)
Other comprehensive loss for the period		(26.729)
Total comprehensive loss for the period		(2.302.506)
Loss per share (cent)	9	(0.22)

The notes on pages 14 to 31 form an integral part of these financial statements.

G ENTERTAINMENT GROUP PLC

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 €
ASSETS		
Non-current assets		
Investments in subsidiaries	10	67.478
Available-for-sale investments	11	1.880.250
		1.947.728
Current assets		
Receivables	12	3.606.877
Cash and cash equivalents	13	100
		3.606.977
TOTAL ASSETS		5.554.705
EQUITY AND LIABILITIES		
Equity and reserves		
Share capital	14	116.959
Share premium		3.614.064
Other reserves	15	3.990.981
Accumulated losses		(2.275.777)
Total equity		5.446.227
Current liabilities		
Payables	16	108.478
		108.478
TOTAL EQUITY AND LIABILITIES		5.554.705

On 27 April 2017 the Board of Directors of G Entertainment Group Plc authorised these financial statements for issue.

Brooke Rene Southwell Guy Greville
Director

Richard James Carter
Director

The notes on pages 14 to 31 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 21 AUGUST 2015 TO 31 DECEMBER 2016

	Note	Share capital €	Share premium €	Other reserves (Note 15) €	Accumulated losses €	Total €
Balance at 21 August 2015		-	-	-	-	-
Comprehensive income						
Net loss for the period		-	-	-	(2.275.777)	(2.275.777)
Other comprehensive loss for the period		-	-	(26.729)	-	(26.729)
Total comprehensive loss for the period		-	-	(26.729)	(2.275.777)	(2.302.506)
Transactions with owners						
Issue of share capital	14	111.696	3.614.064	-	-	3.725.760
Issue of ordinary shares to key management personnel and other parties		5.263	-	1.626.267	-	1.631.530
Shares to be issued		-	-	2.000.000	-	2.000.000
Additional capital contribution		-	-	391.443	-	391.443
Total transactions with owners		116.959	3.614.064	4.017.710	-	7.748.733
Balance at 31 December 2016		**116.959**	**3.614.064**	**3.990.981**	**(2.275.777)**	**5.446.227**

Share premium is not available for distribution.

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. The deemed distribution provisions do not apply if the ultimate shareholders are either not Cyprus tax residents or non-Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

CASH FLOW STATEMENT
FOR THE PERIOD FROM 21 AUGUST 2015 TO 31 DECEMBER 2016

	Note	21/08/2015 - 31/12/2016 €
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax		**(2.275.777)**
Adjustments for:		
Interest expense	7	**311**
Equity-settled awards to key management personnel and other parties	5	**1.631.530**
		(643.936)
Changes in working capital:		
Increase in receivables		**(3.606.877)**
Increase in payables		**108.478**
Cash used in operations		**(4.142.335)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of available-for-sale investments	11	**(1.906.979)**
Payment for purchase of investments in subsidiaries	10	**(67.478)**
Net cash used in investing activities		**(1.974.457)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	14	**3.725.760**
Proceeds from shares to be issued	15	**2.000.000**
Additional capital contribution	15	**391.443**
Interest paid		**(311)**
Net cash generated from financing activities		**6.116.892**
Net increase in cash and cash equivalents		**100**
Cash and cash equivalents at end of the period	13	**100**

The notes on pages 14 to 31 form an integral part of these financial statements.

1. Incorporation and principal activities

Country of incorporation

G Entertainment Group Plc (the "Company") was incorporated in Cyprus on 21 August 2015 as a Public limited company under the provisions of the Cyprus Companies Law, Cap. 113. On 16 December 2016 the Company was listed on the Emerging Companies Market of the Cyprus Stock Exchange. Its registered office is at 6 Theotoki Street, 1055 Nicosia, Cyprus.

Change of Company name

On 30 September 2016, the Company changed its name from Xinex Corporation Public Company Limited to G Entertainment Group Plc.

Principal activity and nature of operations of the Company

The principal activity of the Company is the holding of investments.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

Going concern basis

The Company incurred a loss of €2.275.777 for the period from 21 August 2015 to 31 December 2016 resulting in accumulated losses of €2.275.777 at 31 December 2016. Despite this fact, the Board of Directors considers the Company to be able to continue as a going concern, given that the period from 21 August 2015 to 31 December 2016 represented the period of establishment and early stage of development of the Company. The Company was supported by its investors during this period and continues to have such support after the end of the period.

Basis of preparation

The Company has prepared these parent's separate financial statements for compliance with the requirements of the Cyprus Income Tax Law.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets.

The Company has also prepared consolidated financial statements in accordance with IFRSs for the Company and its subsidiaries (the "Group"). The consolidated financial statements can be obtained from the registered office of the Company at 6 Theotoki Street, 1055 Nicosia, Cyprus.

Users of these parent's separate financial statements should read them together with the Group's consolidated financial statements as at and for the period from 21 August 2015 to 31 December 2016 in order to obtain a proper understanding of the financial position, the financial performance and the cash flows of the Company and the Group.

Adoption of new and revised IFRSs

In the current period, the Group has adopted all of the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on or after 21 August 2015. The adoption of these Standards did not have a material effect on the accounting policies of the Group.

2. Significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

At the date of approval of these financial statements the following accounting standards were issued by the International Accounting Standards Board but were not yet effective:

(i) Adopted by the European Union
New standards

- IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1 January 2018).
- IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018).

(ii) Not adopted by the European Union
New standards

- IFRS 14 "Regulatory Deferral Accounts" (effective for annual periods beginning on or after 1 January 2016).
- IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019).

Amendments

- Amendments to IFRS2: Classification and Measurement of Share-based Payment Transactions (effective for annual periods beginning on or after 1 January 2018).
- Clarifications to IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018).
- IAS 7 (Amendments) "Disclosure Initiative" (effective for annual periods beginning on or after 1 January 2017).
- IAS 12 (Amendments) "Recognition of Deferred Tax Assets for Unrealised Losses" (effective for annual periods beginning on or after 1 January 2017).
- Annual Improvements to IFRSs 2014–2016 Cycle (issued on 8 December 2016) (effective for annual periods beginning on or after 1 January 2017/2018)

New IFRICs

- IFRIC Interpretation 22 "Foreign Currency Transactions and Advance Consideration" (effective for annual periods beginning on or after 1 January 2018).

The Group is in the process of evaluating the effect that the adoption of the above standards will have on the consolidated financial statements of the Group and it does not intend to early adopt any of them. The Group expects that the most significant impact will result from the below new standards that have been issued but are not yet effective:

- IFRS 9 "Financial Instruments"

  IFRS 9 (as revised in 2014) will supersede IAS 39 "Financial Instruments: Recognition and Measurement" upon its effective date and contains the requirements for the classification and measurement of financial assets and financial liabilities, the impairment methodology and general hedge accounting.

  Phase 1: Classification and measurement of financial assets and financial liabilities

  All recognized financial assets that are currently within the scope of IAS39 will be subsequently measured at either amortized cost or fair value. Specifically:

  - a debt instrument that is held within a business model objective is to collect the contractual cash flows and has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding must be measured at amortized cost (net of any write down for impairment) unless the asset is designated at fair value through profit and loss (FTVPL) under the fair value option.
  - a debt instrument that is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets and has contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, must be measured at fair value though other comprehensive income (FVTOCI), unless the asset is designated at FVTPL under the fair value option.

2. Significant accounting policies (continued)

- IFRS 9 "Financial Instruments" (continued)
  - all other debt instruments must be measured at FVTPL.
  - all equity investments are to be measured in the statements of financial position at fair value, with gains and losses recognized in profit and loss except that if an equity instrument is not held for trading, nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, an irrevocable election can be made at initial recognition to measure the investment at FVOCI, with dividend income recognized in profit and loss.

Regarding financial liabilities, one major change is in the presentation of changes in the fair value of the financial liability designated as at FVTPL attributable to changes in the credit risk of that liability. Under IFRS 9 such changes are presented in other comprehensive income, unless the presentation of the effect of the change in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit and loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit and loss.

Phase 2: Impairment of financial assets

The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial recognition.

Phase 3: Hedge accounting

The general hedge accounting requirements of IFRS 9 retain the three types of hedge accounting mechanisms in IAS 39, however it broadens the types of instruments that qualify as hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship". Retrospective assessment of hedge effectiveness is no longer required, however far more disclosure requirements about an entity's risk have been introduced.

Transitional provisions

If an entity elects to apply IFRS 9 early, it must apply all of the requirements in IFRS 9 at the same time, except for those relating to:

- the presentation of fair value gains and losses attributable to changes in the credit risk of financial liabilities designated as at FVTPL, the requirements of which an entity may early apply without applying the other requirements in IFRS 9; and
- hedge accounting, for which an entity may choose to continue to apply the hedge accounting requirements of IAS 39 instead of the requirements of IFRS 9.

Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognized as an expense in the period in which the impairment is identified.

Segmental reporting

The Company operates in one operating segment, the investment segment. The Company operates in two geographical segments: Cyprus and the United Kingdom. The Company does not present geographical segment financial information as no revenue or non-current assets other than financial instruments exist for the period from 21 August 2015 to 31 December 2016.

2. Significant accounting policies (continued)

Finance income

Finance income includes interest income which is recognized based on an accruals basis.

Finance costs

Interest expense is charged to profit or loss as incurred.

Foreign currency translation

(1) Functional and presentation currency
Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

(2) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Translation differences on available-for-sale financial assets are recognised in other comprehensive income and then included in the fair value reserve in equity. Translation differences on available-for-sale debt securities are recognised in profit or loss.

Income tax

Income tax expense represents the sum of the income tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current income tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such 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.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2. Significant accounting policies (continued)

Operating leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Financial instruments

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Receivables

Receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognized in profit or loss when there is objective evidence that the asset is impaired. The allowance recognized is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Investments

Investments are recognized and derecognized on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs and are classified as follows:

- Available-for-sale investments

  Available for sale financial assets are non-derivatives that are either designated as available for sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

  Available for sale investments are those acquired and held for an unspecified period of time and may be sold to cover cash flow deficiencies, fluctuations in interest rates, exchange rates or other security prices. For available-for-sale investments, gains and losses arising from changes in fair value are recognized in other comprehensive income and then in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the profit or loss for the period. Impairment losses recognized in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss. Impairment losses recognized in profit or loss for debt instruments classified as available-for-sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity specific inputs. Equity investments for which fair values cannot be measured reliably are recognized at cost less impairment.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss, while translation differences on non-monetary securities are recognised in other comprehensive income. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

2. Significant accounting policies (continued)

Financial instruments (continued)

Investments (continued)

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss as gains and losses on available-for-sale financial assets.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Company's right to receive payments is established.

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of investments is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale investments the cumulative loss which is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity and recognised in profit or loss.

For investments measured at amortised cost, if in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available for sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available for sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Payables

Payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2. Significant accounting policies (continued)

Derecognition of financial assets and liabilities (continued)

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Share based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognized for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is measured again, with any changes in fair value recognized in profit or loss for the year.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

3. Financial risk management

Financial risk factors
The Company is exposed to market price risk, interest rate risk, credit risk, liquidity risk, currency risk, operational risk, litigation risk, reputation risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

3.1 Market price risk
Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Company's available-for-sale financial assets are susceptible to market price risk arising from uncertainties about future prices of the investments.

3.2 Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

3.3 Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily receivables from related parties and cash at bank. The Company has policies in place for monitoring its credit risk exposure.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2016
	€
Cash at bank (Note 13)	100
Receivables from own subsidiaries (Note 17.3)	3.592.543
	3.592.643

3.4 Liquidity risk
Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

31 December 2016	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Payables to shareholders (Note 17.4)	67.478	67.478	67.478	-	-	-	-
	67.478	67.478	67.478	-	-	-	-

3.5 Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the British Pound. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

3. Financial risk management (continued)

3.5 Currency risk (continued)

	Liabilities 2016 €	Assets 2016 €
British Pounds	(67.478)	1.880.250
	(67.478)	1.880.250

Sensitivity analysis
A 10% strengthening of the Euro against the following currencies at 31 December 2016 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the Euro against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

	Profit or loss 2016
British Pounds	18.128

3.6 Operational risk
Operational risk is the risk that derives from the deficiencies relating to the Company's information technology and control systems as well as the risk of human error and natural disasters. The Company's systems are evaluated, maintained and upgraded continuously.

3.7 Litigation risk
Litigation risk is the risk of financial loss, interruption of the Company's operations or any other undesirable situation that arises from the possibility of non-execution or violation of legal contracts and consequentially of lawsuits. The risk is restricted through the contracts used by the Company to execute its operations.

3.8 Reputation risk
The risk of loss of reputation arising from the negative publicity relating to The Company's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Company. The Company applies procedures to minimize this risk.

3.9 Capital risk management
The Company's objectives in managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

3. Financial risk management (continued)

Fair value estimation (continued)

Fair value measurements recognised in statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 December 2016	Level 1 €	Level 2	Level 3 €	Total
Financial assets				
Available for sale investments	-	1.880.250	-	1.880.250
Total	**-**	**1.880.250**	**-**	**1.880.250**

Valuation techniques and key inputs

Available-for-sale investments as at 31 December 2016, represent investments in start-up unlisted entities and participation rights in a live stage production (Note 11).The fair value of available-for-sale investments at 31 December 2016 represents the acquisition cost at initial recognition, translated by the period-end exchange rate for investments denominated in a foreign currency. The Board of Directors considers that cost is the most appropriate approximation of the fair value of the available-for-sale investments as at 31 December 2016.

4. Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

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

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Fair value of financial assets**

  The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the financial assets available for sale has been estimated based on the fair value of these individual assets.

  Information about the fair value of financial assets is disclosed in notes 3 and 11.

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5. Other expenses

	21/08/2015 - 31/12/2016 €
Equity-settled awards to key management personnel and other parties	1.631.530
	1.631.530

On 3 October 2016, the Board Of Directors decided on the basis of the Share Plan, pursuant to the resolution approved by the Extraordinary General Meeting dated 26 September 2016, to issue and allot 42.104.000 ordinary shares of nominal value €0,0001 per share to key management personnel and 10.526.000 shares of nominal value €0,0001 per share to a third party.

As per International Financial Reporting Standard (IFRS) 2 "Share-based Payments" the equity-settled award granted to key management personnel was recognized at fair value on the grant date of €0,031.

Regarding the free shares granted to the third party, no service conditions were imposed, hence the fair value of the goods or services received could not be estimated reliably. As a result, the equity-settled award granted to the third party was recognized at fair value on the grant date of €0,031.

Fair value on the grant date was estimated according to a similar transaction of share issue to investors.

The total value of the equity instruments issued of €1.631.530 was recognized as other expense in the current period as the Share Plan did not include any vesting conditions. According to the contractual agreement, 50% of the allotted shares may be sold 6 months following the listing date of 16 December 2016, whereas the remaining 50% may be sold 12 months following the listing date. The difference between the nominal value of the ordinary shares issued and the fair value of the equity instrument was recognized as an equity-settled awards reserve (note 15) of €1.626.267.

6. Operating loss

	21/08/2015 - 31/12/2016 €
Operating loss is stated after charging the following items:	
Auditors' remuneration for the statutory audit of annual financial statements	32.500
Auditors' remuneration for tax compliance services	2.000
Executive directors' consultancy fees (Note 17)	130.732
Non-executive directors' fees (Note 17)	5.000
Legal fees	15.449
Other professional fees	260.143
Professional fees - key management personnel (Note 17)	40.696

7. Net Finance costs

	21/08/2015 - 31/12/2016 €
Finance income	-
Net foreign exchange losses	(50.213)
Interest expense	(311)
Finance costs	(50.524)
Net finance costs	(50.524)

8. Income tax

8.1 Income tax recognised in profit or loss

	21/08/2015 - 31/12/2016 €
Corporation tax - current period	-
Charge for the period	-

The total charge for the year can be reconciled to the accounting results as follows:

	21/08/2015 - 31/12/2016 €
Loss before income tax	(2.275.777)
Income tax calculated at the applicable tax rates	(284.472)
Tax effect of expenses not deductible for income tax purposes	279.496
Tax effect of tax loss for the period	4.976
Tax charge	-

The Company is subject to corporation tax on taxable profits at the rate of 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

The Company has unused tax losses of €4.976 for which no deferred tax asset has been recognised.

9. Loss per share

	21/08/2015 - 31/12/2016
Loss for the period (€)	(2.275.777)
Weighted average number of ordinary shares in issue during the period	1.030.352.986
Loss per share (cent)	(0,22)

10. Investments in subsidiaries

	2016
	€
Balance at 21 August 2015	-
Additions	67.478
Balance at 31 December 2016	**67.478**

On 22 December 2015 the Company acquired 100% of the share capital of G Entertainment Limited. The transaction involved the purchase of shares with total value of GBP50.000 (€67.478).

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Holding %	2016 €
G Entertainment Limited	United Kingdom	Holding of investments	100	67.478

As part of the impairment review at 31 December 2016, the Board of Directors assessed that no impairment provision was necessary.

11. Available-for-sale investments

	2016
	€
Balance at 21 August 2015	-
Additions	1.912.102
Exchange differences recognised through other comprehensive income (Note 15)	(26.729)
Exchange differences recognised through profit or loss	(5.123)
Balance at 31 December 2016	**1.880.250**

On 23 May 2016, the Company entered into a Convertible Loan Note and Subscription Agreement ("SYH Agreement") to acquire unsecured convertible loan notes ("Notes") of GBP1.103.000 (€1.319.253) in integral multiples of GBP1.000 and one share of GBP1.361 (€1.745) in Single Yard Holdings Limited ("SYH"). According to the agreement and the deeds of variation signed thereon (Note 20), the Company has the right to call on SYH to issue an additional total amount of GBP3.945.636 in Notes which will be issued in nine different tranches within 52 weeks after the listing date of 16 December 2016. When the Company proceeds with the issue of all the remaining loan notes, all loan notes will be automatically converted into 8.822 fully paid shares in SYH at a GBP572,31 conversion price, 53 weeks after listing, representing 60% participation in SYH. If the Company decides not to subscribe for a particular issue of notes, then all outstanding notes at the time held by the Company, shall automatically convert into fully paid shares in SYH at a different conversion price.

The Company holds a Warrant Certificate dated 28 May 2016 issued by SYH for the amount of 5.000 Warrants which certifies that the Company is the registered holder of 5.000 Warrants. The Warrants entitle the Company to subscribe to SYH Warrant Shares at the Subscription Price, as dictated by the SYH Agreement and the deeds of variation. The Warrants are attached to the unsecured convertible loan notes and are designed to prevent the dilution of the equity instruments, when converted. In the event that an automatic conversion of loan notes occurs, the rights of the Company to exercise the Warrants shall cease.

On 9 September 2016, the Company entered into an agreement with GL (42ND ST) LTD to subscribe for a cash consideration of GBP500.000 (€591.104) towards the total capitalization of GBP6.000.000 of a live stage production of the musical "42nd Street". According to the agreement, the Company will receive a portion (8,33%) of the available net proceeds equal to its participation in the live stage production.

For the determination of fair value of the available for sale financial assets please refer to Note 3.

12. Receivables

	2016
	€
Receivables from own subsidiaries (Note 17.3)	3.592.543
Deposits and prepayments	14.334
	3.606.877

The fair values of receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Company to credit risk and impairment losses in relation to receivables is reported in note 3 of the financial statements.

13. Cash and cash equivalents

Cash balances are analysed as follows

	2016
	€
Cash at bank	100
	100

The exposure of the Company to interest rate risk and credit risk in relation to cash and cash equivalents is reported in note 3 of the financial statements.

14. Share capital

	2016 Number of shares	2016 €
Authorised		
Ordinary shares of €0,0001 each	3.000.000.000	300.000
Issued and fully paid		
Issue of shares	1.169.590.000	116.959
Balance at 31 December 2016	1.169.590.000	116.959

Authorized capital

On 21 August 2015, under its Memorandum the Company fixed its share capital at 100.000 ordinary shares of €1,00 each.

On 15 January 2016, the Company increased its authorized share capital to 300.000 ordinary shares of €1,00 each. On the same date, the Company converted the authorized share capital from 300.000 ordinary shares of €1,00 each to 3.000.000.000 ordinary shares of €0,0001 each.

Issued capital

On 21 August 2015, the Company issued 100.000 ordinary shares of €1.00 each.

On 15 January 2016, the Company converted the issued share capital from 100.000 ordinary shares of €1.00 each to 1.000.000.000 ordinary shares of €0,0001 each.

On 3 October 2016 the Company made a bonus issue of 42.104.000 shares to key management personnel and 10.526.000 shares to a third party at the value of €0,031 per share. On 4 October 2017, the Company issued 116.960.000 ordinary shares to a strategic investor for the same value, resulting in a share premium of €3.614.064.

15. Other reserves

	Equity-settled awards reserve	Fair value reserve - available-for-sale investments	Additional Capital Contribution	Shares to be issued (Note 20)	Total
	€	€	€	€	€
Exchange differences on available-for-sale investments recognised through other comprehensive income	-	(26.729)	-	-	(26.729)
Issue of ordinary shares to key management personnel and other parties as equity-settled awards	1.626.267	-	-	-	1.626.267
Additional capital contribution	-	-	391.443	-	391.443
Shares to be issued	-	-	-	2.000.000	2.000.000
Balance at 31 December 2016	**1.626.267**	**(26.729)**	**391.443**	**2.000.000**	**3.990.981**

The fair value reserve for investments represents accumulated gains and losses arising on the revaluation of available-for-sale investments that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

On 21 August 2016, the nominee shareholders of the Company transferred 49.950.000 shares of €0,0001 each to 17 shareholders. No cash consideration was received as the 17 new shareholders signed an agreement where the repayment of the loans provided to the subsidiary company, G Entertainment Limited, was forgiven in exchange of shares in the Company. The difference between the amount of loans waived and the nominal value of the ordinary shares of €391.443 was recognized as additional capital contribution.

On 3 October 2016, the Board of Directors decided on the basis of the Share Plan, pursuant to the resolution approved by the Extraordinary General Meeting dated 26 September 2016, to issue and allot 42.104.000 ordinary shares of nominal value €0,0001 per share to key management personnel and 10.526.000 shares of nominal value €0,0001 per share to a third party. As per International Financial Reporting Standard (IFRS) 2 "Share-based Payments" the equity-settled award granted to key management personnel was recognized at fair value on the grant date of €0,031. Regarding the free shares granted to the third party, no service conditions were imposed, hence the fair value of the goods or services received could not be estimated reliably. As a result, the equity-settled award granted to the third party was recognized at fair value on the grant date of €0,031. The difference between the nominal value of the ordinary shares issued and the fair value of the equity instrument was recognized as an equity-settled awards reserve of €1.626.267.

On 3 January 2017 the Company issued 20.000.000 ordinary shares for €0.10 per share to Crystal Voyage Limited. The subscription agreement was signed on 10 October 2016 and on 31 December 2017 the Company received €2.000.000 for the shares. The amount was recognised as a shares to be issued reserve.

16. Payables

	2016
	€
Accrued non-executive directors' fees (Note 17.5)	**5.000**
Accruals	**36.000**
Payables to shareholders (Note 17.4)	**67.478**
	108.478

The fair values of payables due within one year approximate to their carrying amounts as presented above.

17. Related party balances and transactions

The key shareholders of the Company are Mr Zheng Yongxiong, Blackrun Ventures Limited, Jenwell Limited and Lottalot Limited.

17. Related party balances and transactions (continued)

The related party balances and transactions are as follows:

17.1 Transactions with related parties

Name	Nature of transactions	21/08/2015 - 31/12/2016 €
Sports Trading Network Limited	Rent	(29.541)

On 29 April 2016, the Group entered into an agreement with the related company, Sports Trading Network Limited, for the provision of shared office space. The agreement is valid until 1 February 2017.

17.2 Transactions with key management personnel

	21/08/2015 - 31/12/2016 €
Executive directors' consultancy fees	130.732
Non-executive directors' fees	5.000
Professional fees - key management personnel	40.696
Equity-settled award to key management personnel	1.305.224

On 1 June 2016, the Group entered into a consultancy agreement with the executive director, Brooke Greville, for the provision of consultancy services as Chief Executive Officer for GBP8.000 per month. The agreement is valid until either of the two parties provides a six months' notice for the termination of the agreement.

On 1 June 2016, the Company entered into a consultancy agreement with Bryant Park Consulting Ltd for the provision of consultancy services by the executive director, Richard Carter for GBP8.000 per month. The agreement is valid until either of the two parties provides a six months' notice for the termination of the agreement.

On 3 October 2016, the Board Of Directors decided on the basis of the Share Plan, pursuant to the resolution approved by the Extraordinary General Meeting dated 26 September 2016, to issue and allot 42.104.000 ordinary shares of nominal value €0,0001 per share to key management personnel. As per International Financial Reporting Standard (IFRS) 2 "Share-based Payments" the equity-settled award granted to key management personnel was recognized at fair value on the grant date of €0,031 (Note 5).

17.3 Receivables from own subsidiary (Note 12)

Name	Nature of transactions	2016 €
G Entertainment Limited	Finance	3.592.543

The Company has indicated its intention to provide financial support to the subsidiary company, G Entertainment Limited, to enable it to continue as a going concern and to meet its obligations as they fall due.

17.4 Payables to shareholders (Note 16)

Name	2016 €
Shareholders	67.478

Payables to shareholders represent payable for the acquisition of the subsidiary company, G Entertainment Limited, which was previously owned by a part of the current shareholders of the Company.

17.5 Accrued non-executive directors' fees (Note 16)

	2016 €
Non-executive directors	5.000
	5.000

18. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2016.

19. Commitments

Operating lease commitments
The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2016 €
Within one year	8.797
	8.797

20. Events after the reporting period

On 3 January 2017 the Company issued 20.000.000 ordinary shares for €0.10 per share to Crystal Voyage Limited. The subscription agreement was signed on 10 October 2016 and on 31 December 2017 the Company received €2.000.000 for the shares. On 28 February 2017 the Company issued 10.526.300 additional ordinary shares for €0.095 per share to Crystal Voyage.

On 11 January 2017 the Company invested a further €922.000 (GBP800.000) in Single Yard Holdings Limited in unsecured, not guaranteed, convertible loan notes. On 3 February 2017 the Company revised the investment schedule of Single Yard Holdings Ltd, extending the completion of the investment schedule from 35 weeks after listing date of 16 December 2016 to 42 weeks after listing date. On 1 March 2017 the Company revised the investment schedule of Single Yard Holdings Ltd, extending the completion of the investment schedule from 42 weeks after listing date of 16 December 2016 to 48 weeks after listing date. On 7 April 2017 the Company revised the investment schedule of Single Yard Holdings Ltd, extending the completion of the investment schedule from 48 weeks after listing date of 16 December 2016 to 52 weeks after listing date.

On 2 March 2017 the Company entered into an agreement with GL (42ND ST) LTD to subscribe for a cash consideration of €702.074 (GBP600.000) thus increasing the Company's participation in the live stage production from 8,33% to 18,33%. On 16 March 2017 the Company entered into an additional agreement with GL (42ND ST) LTD for a cash consideration of €229.692 (GBP200.000) thus increasing the Company's participation in the live stage production from 18,33% to 21,67%.

On 24 March 2017 the Company at an Extraordinary General Meeting decided the following:

- conversion of the nominal value of shares from €0,0001 per share to €0,01 per share resulting in:

  - conversion of the authorised share capital from 3.000.000.000 of €0,0001 each to 30.000.000 shares of €0,01 each
  - conversion of the issued share capital from 1.200.116.300 shares of €0,0001 each to 12.001.163 shares of €0,01 each

- increase of the authorised share capital from 30.000.000 shares of €0,01 each to 800.000.000 shares of €0,01 each.

- the Board of Directors is authorised to issue and allot of up to 10% of authorised share capital (80.000.000 shares) to strategic investors.

On 24 March 2017 the Company gave notice that an Extraordinary General Meeting of the shareholders will be held by the Company on 19 April 2017 for the issue and allotment of 660.063.965 bonus shares of €0,01 each, through capitalisation of the share premium reserve.

On 30 March 2017, the Board of Directors of the Company decided that the record date for effecting the change of the nominal value of the shares from €0,0001 to €0,01 per share will be the 11th of April 2017.

20. Events after the reporting period (continued)

On 4 April 2017 the Company announced an additional investment of €400.000 by a strategic investor. The issue and allotment of the new shares to the strategic investors will take place after the issue and listing of bonus shares to the existing shareholders, as mentioned above.

On 7 April 2017, the Cyprus Stock Exchange announced the suspension of trading of the Company's shares from 11 April 2017 to 20 April 2017, due to the reverse split of the nominal value of the Company's shares from €0,0001 to €0,01 per share. In addition, further to the Company's request to extend the period of suspension of trading of its titles until 5 May 2017 due to the planned issuance of bonus shares to existing shareholders, the Stock Exchange announced that the titles will remain suspended from 21 April 2017 until 5 May 2017. The trading of the Company's shares will resume on 8 May 2017.

On 19 April 2017, the shareholders of the Company in an Extraordinary General Meeting ("EGM") approved a special resolution for the issue and allotment of bonus shares. Specifically, following the change of the nominal value of the shares of the Company and the increase of the authorized share capital of the Company approved by the EGM on 24 March 2017, the Board of Directors of the Company was authorized to proceed with the issue and allotment of 660,063,965 of bonus shares of €0.01 nominal value each (the "Bonus Shares") with the capitalization of the share premium reserve account of €6,600,639.65. The Bonus Shares will be credited as fully paid-up shares to the holders of the existing shares of the Company in the proportion of 55 ordinary shares for every 1 existing ordinary share.The Bonus Shares allotted will rank pari passu in all respects and carry the same rights as the existing Shares of the Company, and will be transferable and traded on the Emerging Companies Market of the Cyprus Stock Exchange following their listing. The bonus shares have not yet been listed. Due to the nominal value change the previously 1.200.116.300 shares are to be replaced with 12.001.163 new shares.

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