

Playwize Plc

Annual Report and Financial Statements 2009

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Chairman's statement

I am pleased to announce the Group's results for the year ended 31 March 2009

Results

Revenue for the year ended 31 March 2009 was £22,000 compared with £85,000 in the previous year. Playwize is reporting a loss (both before and after tax) for the year of £321,000 (2008:£808,000).

No dividend is proposed for the year (2008: £nil).

Operating review for the current year

Because of the poor trading results, the Board of Directors decided to sell the technology and other assets owned by the Group, and this was achieved during the course of the year under review. The Company no longer has any trading operations.

Prospects

The Board continues to use its best endeavours to find a suitable acquisition candidate for a Reverse Takeover.

John Corre F.C.A.

Non-executive Chairman

20 August 2009

Directors and advisers

Directors

John H Corre FCA
Fouad ("Foo") M A Katan

Non-executive Chairman and Non-executive Finance Director
Chief Executive/Managing Director

Secretary

D Pandya ACA

Registered office

7 Cork Street, London W1S 3LJ

Company number

4064683

Financial advisers and stockbrokers

Allenby Capital Ltd, 40 Marsh Wall London E14 9TP

Auditors

Auerbach Hope, 58-60 Berners Street, London W1T 3JS

Solicitors

Matthew Arnold & Baldwin, 25 Southampton Buildings, London WC2A 1AL

Bankers

Allied Irish Bank (GB), Mayfair Branch, 10 Berkeley Square, London W1J 6AA

Registrars

Capita Registrars, 34 Beckenham Road, Beckenham, Kent BR3 4TU

Board of directors and Board committees

Board of directors

John Corre – Non-Executive Chairman and Finance Director

John (64) qualified as a chartered accountant with Auerbach Hope and went on to become senior partner until 1993. Based in Israel he is a director of a number of venture capital and technology companies.

Foo Katan – Chief Executive and Managing Director

Foo (43) has been involved in the computer games business for over 20 years. Foo set up the business of Bits Studios Ltd in 1984 and has been involved in computer game development and technology for poker sites ever since.

Board committees' report

Board committees

The principal standing committees appointed by the Board are as follows:

Audit Committee

The Audit Committee members are John Corre (Chairman) and Foo Katan. The Committee meets at least once a year to review the Group's financial statements, internal financial control, financial reporting and accounting policies. The Group's external auditors are invited to attend each meeting.

Remuneration Committee

The Remuneration Committee members are John Corre (Chairman) and Foo Katan. The Committee meets as required to review the remuneration of the directors.

Full details of directors' remuneration and a statement of the Company's remuneration policy are set out in the Directors' Report appearing on pages 5 to 7.

Each director abstains from any discussion or voting at full Board meetings on Remuneration Committee recommendations where the recommendations have a direct bearing on his own remuneration package. The details of each director's individual package are fixed by the Committee in line with the policy adopted by the full Board.

Directors' report

The directors present their report together with the audited financial statements for the year ended 31 March 2009.

Principal activities, business review and future developments

The principal activities of the Group were the design, development and leveraging of software for the entertainment industry, and the provision of online gaming activities. In November 2008, these activities ceased and there has been no trading since that date.

A detailed review of the business, together with the outlook for the future, is contained in the Chairman's statement on page 2 and the Financial Review on page 8.

Results and dividends

The results of the Group for the year are set out on page 12 and show a loss of £321,000 (2008 - loss £808,000).

The directors do not propose that a dividend be paid for this year (2008 – Nil).

Substantial interests in share capital

As at 20 August 2009, the directors are aware of the following:

Name	Holding	%
I Robot Holdings Limited	333,560	17.24
Eli Shahmoon	75,000	3.88
SVS (Nominees) Ltd	163,750	8.46
Spring Surprise Ltd	88,050	4.55
TD Waterhouse Nominees (Europe) Ltd	129,541	6.69
Fouad Katan and Barnett Waddingham Trustees Ltd as Trustees of the Mikto Pension Scheme	84,297	4.36
Barclayshare Nominees Ltd	103,090	5.33

The amounts shown reflect the share reorganisation referred to in detail at Note 18 to the financial statements

Other than disclosed above, the directors are not aware of any other person holding an interest of 3% or more of the Company's ordinary share capital.

Policy on the payment of creditors

It is the policy of the Group to settle the terms of payment with all suppliers when agreeing the terms of each transaction; to ensure that those suppliers are made aware of the terms of payment; and to abide by these terms. Creditor days at the year end for the Company were 47 days (2008 – 112 days) and for the Group were 35 days (2008 - 52 days).

Directors

The names of the current directors of the Company and their biographical details are given on page 4.

The director retiring by rotation at the forthcoming Annual General Meeting is John Corre who, being eligible, offers himself for re-election. Both of the directors serve the Group under contracts, which are terminable on notice of 12 months or less.

Directors' report *(continued)*

Directors' interests

Set out below are the beneficial interests of the directors and their immediate families in the Company's New Ordinary shares as at 31 March 2009 and at 31 March 2008. The amounts shown at 31 March 2009 reflect the share reorganisation referred to in detail in Note 18 to the financial statements:

	At 31 March 2009	At 31 March 2008
John Corre	1,000	100,000
Foo Katan	10,600	1,060,000

In addition to his holding above, Foo Katan (together with members of his family) is a potential beneficiary of a discretionary settlement, which controls the issued share capital in I Robot Holdings Limited. I Robot Holdings Limited hold 333,560 New Ordinary shares. Foo Katan is not in a position by virtue of the discretionary settlement to exercise or cause the exercise, directly or indirectly, of voting rights for or against resolutions to be passed at shareholders' meetings of the company. In addition, Foo Katan is the sole beneficiary of the Mikto Pension Scheme, a pension fund which holds 84,297 New Ordinary shares.

There have been no changes in the above shareholdings between 31 March 2009 and 20 August 2009

Corporate governance

Although not required to do so, the company seeks within the practical confines of being a small company to act in compliance with the principles of good governance and the code of best practice (the Combined Code) appended to the Listing Rules of the Financial Services Authority.

Company policy on the remuneration of executive directors

The objective of the Group's remuneration policy is to provide a level of remuneration that will attract, retain and motivate executive directors and senior management of the highest calibre.

Performance related bonuses are payable in addition to basic salaries. These bonuses are based upon individual objectives as well as the Group's performance in terms of profit before tax, earnings per share and cash flow management.

Share options and other incentives are also used as part of the Group's remuneration policy.

An analysis of directors' remuneration is set out below:

	Basic salary 2009 £'000	Bonus 2009 £'000	Benefits in kind 2009 £'000	Fees 2009 £'000	Total emoluments	
					2009 £'000	2008 £'000
John Corre	-	-	-	12	12	39
Foo Katan	24	-	1	-	25	96
Julian Levy (resigned 2007)	-	-	-	-	-	17
	24	-	1	12	37	152

Share options exercisable by John Corre have been forfeited.

Directors' report *(continued)*

Auditors

A resolution to re-appoint Auerbach Hope as auditors of the Company and the Group will be proposed at the forthcoming Annual General Meeting.

Statement of disclosure to auditor

- a) So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- b) They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board

Dipak Pandya
Company Secretary

20 August 2009

Financial review

Results from operations

The Group incurred an operating loss of £254,000 and an overall loss of £321,000 for the year ended 31 March 2009.

Key performance indicators

The year to 31 March 2009 has seen the Group's continued focus and investment, both in terms of management time and company resources, in the field of online gaming, until the trading activity ceased in November 2008. In this transitional year an analysis of key performance indicators (KPI) would be of very little value.

Cash flow

The cash outflow from operating activities during the year was £262,000. Further details are given in the cash flow statement on page 14.

Financial instruments

The Group's financial instruments comprise cash receivables and payables that arise directly from its operations.

The main risk from the Group's financial instruments is liquidity and the risk that the company or its subsidiary undertakings will encounter difficulties in meeting financial obligations as and when they fall due. To minimise this risk, the liquidity position and ongoing working capital requirements are regularly reviewed by the directors.

Equity

Group equity and reserves changed from (£447,000) to (£768,000) representing the Group loss arising in the year.

John Corre F.C.A.

Non-executive Finance Director

20 August 2009

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare the Group and parent Company financial statements for the Group and parent Company for each financial period. The directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS's) as adopted by the European Union (EU). These financial statements are required by law to give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing those financial statements, the directors are required to:

- (i) select suitable accounting policies and then apply them consistently;
- (ii) make judgements and estimates that are reasonable and prudent;
- (iii) state that the financial statements comply with applicable IFRS's adopted by the EU; and
- (iv) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and parent Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and parent Company to enable them to ensure that the financial statements comply with the Companies Act 1985 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Group and the parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of any corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Report of the independent auditors

To the shareholders of Playwize plc

We have audited the Group and parent Company financial statements ("the financial statements") of Playwize plc on pages 12 to 25 for the year ended 31 March 2009, which comprise the Consolidated income statement, the Consolidated and Company balance sheets, the Consolidated and Company cash flow statements, and the related Notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and International Financial Reporting Standards "(IFRS's)" as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation. We also report to you whether, in our opinion, the information given in the Directors' report is consistent with the financial statements. The information given in the Directors' report includes the specific information presented in the Chairman's statement that is cross referred from the business review section to the Directors' report.

In addition, we report to you if, in our opinion, we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the other information contained in the annual report and consider whether it is consistent with the audited financial statements. This other information comprises the Directors' report, the Chairman's statement and the Financial review. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and parent Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Report of the independent auditors *(continued)*

Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRS's as adopted by the European Union, of the state of the Group's and parent Company's affairs as at 31 March 2009 and of its loss and cash flows for the year then ended;
- the parent Company financial statements give a true and fair view in accordance with IFRS's as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the parent Company's affairs at 31 March 2009 and cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; Article 4 of the IAS regulation; and
- the information given in the Directors' report is consistent with the financial statements.

Emphasis of matter – going concern

We draw attention to the disclosure made in note 2a of the financial statements, which appropriately describes the uncertainties upon which the directors have prepared the financial statements on a going concern basis. In view of the significance of the fact that the preparation of the financial statements is based on the assumptions laid out in this note, we consider that this disclosure should be brought to your attention, but our opinion is not qualified in this respect.

AUERBACH HOPE

Chartered Accountants and Registered Auditors
58-60 Berners Street
London W1T 3JS

20 August 2009

Consolidated income statement

for the year ended 31 March 2009

	Notes	2009 £'000	2008 £'000
Revenues	3	22	85
Cost of revenues		(168)	(761)
Gross loss		(146)	(676)
Administrative expenses		(168)	(355)
Operating loss before exceptional items		(314)	(1,031)
Exceptional item	4	60	274
Operating loss		(254)	(757)
Finance income	5	3	9
Finance costs	6	(70)	(60)
Loss for the year before taxation	7	(321)	(808)
Taxation	9	-	-
Loss for the financial year	20	(321)	(808)
Basic and diluted loss per share		0.16p	0.7p

All revenues and costs arise from discontinued trading operations.

There is no material difference between the results stated above and the results shown on an historical basis.

There are no other gains or losses other than those recognised in the income statement.

The notes on pages 15 to 25 form part of these financial statements.

Consolidated and Company balance sheets

at 31 March 2009

	Notes	Group 2009 £'000	Group 2008 £'000	Company 2009 £'000	Company 2008 £'000
Assets					
Non Current assets					
Property, plant and equipment	12	-	24	-	24
Total non current assets		-	24	-	24
Current assets					
Trade and other receivables	14	11	85	-	51
Cash and cash equivalents		13	354	-	354
Total current assets		24	439	-	405
Total assets		24	463	-	429
Current Liabilities					
Trade and other payables	15	(792)	(910)	(783)	(820)
Net liabilities		(768)	(447)	(783)	(391)
Equity					
Share capital	18	1,935	1,935	1,935	1,935
Share premium	18	5,710	5,710	5,710	5,710
Revenue reserves	20	(8,413)	(8,092)	(8,428)	(8,036)
Total equity	21 & 22	(768)	(447)	(783)	(391)

These financial statements were approved and authorised for issue by the Board on 20 August 2009 and signed on its behalf by:

John Corre Non-executive Finance Director

Foo Katan, Chief Executive

The notes on pages 15 to 25 form part of these financial statements.

Consolidated and Company cash flow statement

for the year ended 31 March 2009

	Group	Group	Company	Company
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Cash flows from operating activities				
Operating loss	(254)	(1,031)	(326)	(865)
Adjustments for:				
Depreciation	-	14	-	-
Loss on disposal of assets	1	-	1	-
Fees settled in shares	-	40	-	40
Operating cash flow before working capital	(253)	(977)	(325)	(825)
Decrease/(increase) in receivables	74	20	51	(49)
Decrease in payables	(83)	(55)	(1)	(16)
Cash used in operating activities	(262)	(1,012)	(275)	(890)
Cash flows from investing activities				
Proceeds on disposal/(cost of acquisition) of assets	23	(26)	23	(24)
Finance costs	(70)	(7)	(70)	-
Finance income	3	9	3	8
Net cash used in investing activities	(44)	(24)	(44)	(16)
Cash flows from financing activities				
Proceeds from share issues	-	1,150	-	1,150
(Repayments of)/proceeds from borrowings	(35)	110	(35)	110
Net cash (used in)/generated by financing activities	(35)	1,260	(35)	1,260
Net change in cash and cash equivalents	(341)	224	(354)	354
Cash and cash equivalents at the beginning of the year	354	130	354	-
Cash and cash equivalents at the end of the year	13	354	-	354

The notes on pages 15 to 25 form part of these financial statements.

Notes to the accounts

1 Authorisation of financial statements

Playwize Plc (the 'Company') and its subsidiaries together ('the Group') are incorporated in England and Wales and its activities are as described in the Directors' report.

The Company is a Public Limited Company and is listed on the Alternative Investment Market of the London Stock Exchange. The address of its registered office is given on page 3.

These financial statements are presented in Pounds Sterling being the currency of the primary economic environment in which the Group operates.

The Group's and Company's financial statements for the year ended 31 March 2009 were authorised for issue by the Board of directors on 20 August 2009 and the balance sheets were signed on the Board's behalf by John Corre and Foo Katan.

2a Summary of significant accounting policies

Basis of preparation and going concern

The Group's financial statements for the year ended 31 March 2009 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with those sections of the Companies Act 1985 applicable to companies reporting under IFRS.

The Group's financial statements have been prepared under the historical cost convention. The following principal accounting policies adopted in the preparation of these financial statements are set out below. The policies have been consistently applied unless otherwise stated.

The Group's financial statements have been prepared on a going concern basis, which assumes that the Group will be in operational existence for the foreseeable future. The validity of this assumption depends on:

- The continued support of the Group's debt finance providers.

If the Company or its subsidiaries were unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of the assets to their recoverable amounts, and to provide for further liabilities that might arise, and to reclassify non-current assets and long-term liabilities as current assets and liabilities.

Adopted IFRS's not yet applied

At the date of authorisation of these financial statements certain new standards, amendments and interpretations to existing standards have been published but are not yet effective. The Group has not chosen to adopt early any of the pronouncements. The new standards and interpretations that are expected to be relevant to the Group's financial statements are as follows:

- IAS1 (revised), 'Presentation of financial statements', applicable for reporting periods commencing on or after 1 January 2009.
- IAS23 (revised), 'Borrowings', applicable for reporting periods commencing on or after 1 January 2009.
- IAS27 (revised), 'Consolidated and separate financial statements', applicable for reporting periods commencing on or after 1 July 2009.
- IAS28 (amendment), 'Investments in associates', applicable for reporting periods commencing on or after 1 January 2009.
- IAS32 (amendment), 'Financial instruments: Presentation', applicable for reporting periods commencing on or after 1 January 2009.
- IAS36 (amendment), 'Impairment of assets', applicable for reporting periods commencing on or after 1 January 2009.
- IAS39 (amendment), 'Financial instruments: Recognition and measurement', applicable for reporting periods commencing on or after 1 July 2009.
- IFRS 8 'Operating segments', applicable for reporting periods commencing on or after 1 January 2009.

Notes to the accounts *(continued)*

The Group plans to adopt the above standards in the period in which they become applicable. The directors do not consider that the adoption of these standards will have a material impact on the consolidated financial statements in the period of initial application. Other new standards and interpretations have been issued but are not expected to have a material impact on the Group's financial statements.

Basis of consolidation

The Group financial statements consolidate those of the Company and all of its subsidiary undertakings drawn up to 31 March 2009. Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. Subsidiaries are fully consolidated from the date on which control is transferred until the date that such control ceases. Consequently, the results of Bits Studios Limited have been consolidated for the period to liquidation on 16 January 2008.

Details of subsidiary undertakings are as set out in Note 13 on page 20.

Intra-Group transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated.

Revenue

Revenue represents amounts receivable for goods and services net of VAT and trade discounts. Revenue is ascertained in a manner appropriate to the stage of completion of the contract and the industry in which it operates.

Property, plant and equipment

Property, plant and equipment are stated in the financial statements at cost less accumulated depreciation. Depreciation is provided at a rate calculated to write off the cost less estimated residual value of plant and equipment over their expected useful lives as follows:

Fixtures, fittings & equipment	50% per annum straight line
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Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Leasing

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the lease.

Investments

Investments in subsidiary undertakings are stated at cost less provision for impairment in the parent Company balance sheet.

Trade and other receivables

Trade and other receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Trade and other payables

Trade payables are stated at their nominal value.

Notes to the accounts *(continued)*

Cash and cash equivalents

Cash, for the purposes of the cash flow statement, comprises cash at bank and in hand. Cash equivalents are short term liquid investments convertible into cash and are subject to insignificant risk of changes in value.

Deferred taxation

Deferred tax is recognised in respect of all timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax assets are only recognised to the extent that the Group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are not discounted.

Current taxation

Current tax is the expected tax payable on the taxable income for the period using tax rates enacted or substantively enacted at the reporting date together with any adjustment to tax payable in respect of prior periods.

Share based payments

The Company has issued share options to directors and employees. The Company has considered the implications of IFRS2 'Share Based Payments', and in view of the share options in issue, the Company considers that the amount to be expensed is immaterial. For this reason, no adjustment to the income statement has been made.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the income statement.

Profit recognition on contracting activities

In accordance with accepted accounting practice, long term contracts are assessed on a contract by contract basis and reflected in the income statement recording revenue and related costs as contract activity progresses. Profit on individual contracts is taken only when their outcome can be foreseen with reasonable certainty. It is apportioned on the basis of the stage of completion of the contract at the year end.

Full provision is made for all known or expected losses as soon as they are foreseen.

Exceptional item

Exceptional items are those significant items which are disclosed by virtue of their size and to enable a fuller understanding of the Group's financial performance. Transactions giving rise to an exceptional item would include gains or losses on disposals of non-current assets, investments and subsidiaries.

Financial Instruments

The Group does not use or trade derivative financial instruments. Capital Instruments that contain an obligation to transfer economic benefit, such as debt issues, are classified as liabilities and are recorded at their net proceeds. The finance costs with respect to these liabilities are allocated to the income statement over their life. Financial assets are recorded at cost and the return on such assets is accrued in the period to which it relates.

2b Significant judgements and estimates

The preparation of the Group's financial statements in conforming to IFRS required management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances. Information about such judgements and estimation is contained in either the accounting policies or in the notes to the financial statements. There are no significant judgements and estimates in the current year.

Notes to the accounts *(continued)*

3 Revenue and segment information

The group's only business activity was the provision of online gaming services, and as such operates as one reportable segment. For this reason the only relevant information is the breakdown of revenues geographically which is as follows:

	2009 £'000	2008 £'000
UK and Europe	22	85

4 Exceptional item

In November 2008 software technology and other assets representing the entire business of the company were disposed of for £60,000 following a meeting of shareholders approving the proposed sale.

In the previous year, Bits Studios Ltd, a wholly owned subsidiary went into liquidation. Net liabilities of £274,000 were credited to the income statement and are reflected as the comparative figure in these accounts.

5 Finance income

	2009 £'000	2008 £'000
Bank interest receivable	3	9

6 Finance costs

	2009 £'000	2008 £'000
Interest on convertible loan notes	70	53
Other interest and related charges	-	7
	70	60

7 Loss before taxation

This is stated after charging the following:

	2009 £'000	2008 £'000
Depreciation on property, plant and equipment	-	14
Loss on depreciation of property, plant and equipment	1	-
Other operating leases	25	37
Auditors' remuneration - audit services	5	10
- tax compliance services	1	1
- other services	-	3
Loss on foreign exchange	1	1

8 Employees

	2009 £'000	2008 £'000
The payroll costs (including directors) were as follows:		
Wages and salaries	172	614
Social security costs	14	62
	186	676

Details of directors' remuneration are shown in the Directors' report on pages 5 to 7.

Notes to the accounts *(continued)*

The average number of people (including executive directors) employed by the Group was as follows:

	2009 Number	2008 Number
Development	3	12
Management and administration	1	3
	4	15

The Company has no employees or staff costs.

9 Taxation

Factors affecting the tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 28% (2008 - 30%). The differences are explained below:

	2009 £'000	2008 £'000
Loss on ordinary activities before tax	(321)	(808)
Loss on ordinary activities multiplied by standard rate of UK corporation tax of 28% (30%)	(90)	(242)
Effects of:		
Non deductible expenses	1	-
Profit/gains unavailable for relief	(8)	(141)
Depreciation and balancing charges/(allowances)	3	(4)
Losses available for carried forward	44	388
Tax losses unavailable for loss relief	50	-
Utilisation of tax losses	-	(1)
Current tax charge	-	-

No liability to UK corporation tax arose during the year.

The Group had losses, as computed for taxation purposes, of £399,799 at 31 March 2009 (31 March 2008 - £4,876,251) available to be carried forward against future profit from the same trading activity.

No deferred tax asset has been recognised during the year (see Note 17).

10 Loss per share

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

In view of the group loss for the year, share warrants and options to subscribe for ordinary shares in the Company are anti-dilutive and therefore no adjustment has been made in order to calculate a diluted loss per share.

The following reflects the income and share data used in the basic and diluted earnings per share computations. Loss per share has been calculated using the following:

	2009 (Loss)/ Earnings	2009 Weighted average number of shares	2008 (Loss)/ Earnings	2008 Weighted average number of shares
Basic & diluted	(£321,000)	1,935,180	(£808,000)	114,365,088

Notes to the accounts *(continued)*

11 Loss for the financial year

As permitted by Section 230 of the Companies Act 1985, the income statement of the parent company is not presented as part of these accounts.

The parent Company's loss for the financial year amounted to £392,000 (2008 – loss £921,000). In the year to 31 March 2009 provisions were made in respect of amounts owed by Group undertakings of £219,000.

12 Property, plant and equipment

Group	£'000
Cost	
At 1 April 2007	568
Additions	26
Disposals	(570)
At 31 March 2008	24
Additions	-
Disposals	(24)
At 31 March 2009	-
Depreciation	
At 1 April 2007	539
Charge for the year	14
Disposals	(553)
At 31 March 2008	-
Charge for the year	-
At 31 March 2009	-
Net book value	
At 31 March 2009	-
At 31 March 2008	24
At 31 March 2007	29

13 Investment in subsidiaries

Company	2009 £'000	2008 £'000
Investments in subsidiary group undertakings		
Cost of ordinary shares:		
At 1 April 2007, 31 March 2008 and 31 March 2009	249	249
Provision for impairment		
At 1 April 2007, 31 March 2008 and 31 March 2009	(249)	(249)
At 31 March 2008 and 31 March 2009	-	-

Notes to the accounts *(continued)*

Subsidiary undertakings

The following were subsidiary undertakings at the year end and have been included in the consolidated financial statements:

Name	Country of incorporation or registration	Ordinary share capital held	Principal activity
Playwize Games Limited	England & Wales	100.0%	Dissolved 11 July 2009
Pokerwize Limited	England & Wales	100.0%	Dissolved 30 June 2009

14 Trade and other receivables

	Group 2009 £'000	Group 2008 £'000	Company 2009 £'000	Company 2008 £'000
Trade receivables	-	4	-	-
Other receivables	11	16	-	16
Prepayments and accrued income	-	65	-	35
	11	85	-	51

All amounts are due to be recovered within 12 months of the balance sheet date. The fair value of trade and other receivables are the same as the carrying value shown above.

15 Trade and other payables

	Group 2009 £'000	Group 2008 £'000	Company 2009 £'000	Company 2008 £'000
Loans (Note 16)	764	795	764	795
Trade payables	16	66	14	25
Other payables	-	2	-	-
Taxation and social security	-	20	-	-
Accruals and deferred income	12	27	5	-
	792	910	783	820

All trade and other payables are due to be paid within 12 months of the balance sheet date. The fair value of trade and other payables are the same as the carrying value shown above.

Notes to the accounts *(continued)*

16 Loans

	Group 2009 £'000	Group 2008 £'000	Company 2009 £'000	Company 2008 £'000
Convertible Loan Notes	700	735	700	735
Accrued Interest on Convertible Loan Notes	64	60	64	60
	764	795	764	795

The convertible loan notes were issued between December 2006 and September 2008 and were originally unsecured. The original loan agreement with the Headstart Global Fund and Headstart Global Aggressive Fund ("Headstart") had the following clauses:

1. Interest at an annual rate of 7 per cent was payable monthly until the settlement date.
2. The notes were convertible into ordinary shares at any time between the date of issue of the notes and their settlement date. The loan notes were convertible into ordinary shares at 95 per cent of the lowest volume weighted average price during the 10 trading days immediately prior to the conversion date.
3. If the notes were not converted, they could be redeemed between December 2007 and March 2008, at par.

On 2 May 2008 it was announced that:

A Deed of Variation in relation to the Headstart loan facility had been signed. The facility, which was originally announced on 22 March 2006 was based upon a two-year term, and as such had expired. The Deed of Variation provides that the Company will repay the outstanding interest that has accrued during the initial two-year term together with other fees and expenses. Having executed these payments, the outstanding loan notes, totalling £735,000 may be held by the Company for a further twelve months at a rate of interest of 9.5% per annum. No further drawdowns from the original facility may be made by the Company. In consideration for Headstart granting Playwize the terms entered into by the Deed of Variation, the Company has issued 20,000,000 warrants to Headstart, which are exercisable at a price of 1p per warrant held. By way of security offered in respect of the outstanding loan notes a debenture granting a fixed and floating charge over the Company's assets has been granted to Headstart. Together with minor variations to the rights to convert the loan notes into ordinary shares, it has been agreed that the first £200,000 nominal of loan notes that are elected to be converted into ordinary shares may be converted at the lower of the closing bid price within the last 15 days trading, or 1p.

On 23 October 2008 it was announced that "Headstart agreed to consider any request from a company which has been identified as a suitable target for the Company to acquire by way of a reverse takeover, to convert their existing outstanding loan notes into Ordinary Shares. The Company also reached an agreement in principle with Headstart for Headstart to make a further £250,000 facility available to the Company at a future date to be agreed, for the purpose of ensuring the attractiveness of the Company as a vehicle for a reverse takeover. The facility is subject to due diligence on any identified reverse takeover target being carried out to Headstart's satisfaction".

17 Deferred taxation

In accordance with IFRS12, the Company and the Group have not recognised deferred tax assets as they do not anticipate that profits generated in the foreseeable future will exceed accumulated tax losses brought forward. The potential deferred tax asset of the Group arising from tax losses carried forward adjusted for timing differences due to the tax as compared with the accounting treatment of tangible assets is set out below:

	Group 2009 £'000	Group 2008 £'000
Tax losses	112	1,475
Temporary timing differences	-	(4)
Amount not recognised	112	1,471

Notes to the accounts *(continued)*

18 Share capital and share premium

Group and Company

Authorised			2009	2008	
			Number	Number	
Ordinary shares of 1p each			-	300,000,000	
New Ordinary shares of 1p each			808,417,179	-	
Deferred shares of 0.01p each			19,158,282,099	-	
Allotted, called up and fully paid	Ordinary Shares of 1p each	New Ordinary shares of 1p each	Deferred shares of 0.01p each	Issued share capital	Share premium account
	Number	Number	Number	£'000	£'000
At 1 April 2008	193,518,001	-	-	1,935	5,710
Reorganisation	(193,518,001)	1,935,180	19,158,282,099	-	-
At 31 March 2009	-	1,935,180	19,158,282,099	1,935	5,710

On 18 November 2008, the shareholders approved the subdivision and reorganisation of the share capital of the Company. The authorised share capital was increased from £3m to £10m. Each existing fully paid Ordinary share of 1p was subdivided into one New Ordinary share of 0.01p and 99 deferred shares of 0.01p. Each of the authorised but unissued ordinary shares of 1p each were subdivided into 100 New Ordinary shares of 0.01p each. Every one hundred issued and unissued New Ordinary shares of 0.01p were then consolidated into one New Ordinary share of 1p.

Each New Ordinary share carries the right to one vote.

A deferred share carries the following restrictions:

- (a) does not entitle its holder to receive any dividend or other distribution;
- (b) does not entitle its holder to receive a share certificate in respect of the relevant shareholding, save as required by law;
- (c) does not entitle its holder to receive notice of, nor to attend, speak or vote at, any general meeting of the Company;
- (d) entitles its holder on a return of capital on a winding-up (but not otherwise) only to the repayment of the amount paid up on that share after payment of the capital paid up on each ordinary share of 0.01 pence in the share capital of the Company and the further payment of £10,000,000 on each ordinary share; and
- (e) does not entitle its holder to any further participation in the capital of the Company;

The Deferred Shares cannot be transferred at any time other than with the prior written consent of the directors of the Company.

19 Share based payments

At 31 March 2009 there were no share options following the forfeiture or expiration of 1,016,945 options in existence at the beginning of the year.

The Group has not recognised a share based payment charge for the current or previous year as in the opinion of the directors, the amounts are considered immaterial.

Notes to the accounts *(continued)*

20 Statement of movement on reserves

	Group Share Premium £'000	Group Retained Earnings £'000	Company Share Premium £'000	Company Retained Earnings £'000
At 1 April 2007	5,770	(7,284)	5,770	(7,115)
Issue Costs	(60)	-	(60)	-
Loss for the year	-	(808)	-	(921)
At 1 April 2008	5,710	(8,092)	5,710	(8,036)
Loss for the financial year	-	(321)	-	(392)
At 31 March 2009	5,710	(8,413)	5,710	(8,428)

21 Statement of changes in equity - Group

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
At 1 April 2007	604	5,770	(7,284)	(910)
Funds from share issues	1,331	(60)	-	1,271
Loss for the financial year	-	-	(808)	(808)
At 1 April 2008	1,935	5,710	(8,092)	(447)
Loss for the financial year	-	-	(321)	(321)
At 31 March 2009	1,935	5,710	(8,413)	(768)

22 Statement of changes in equity - Company

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
At 1 April 2007	604	5,770	(7,115)	(741)
Funds from share issues	1,331	(60)	-	1,271
Loss for the financial year	-	-	(921)	(921)
At 1 April 2008	1,935	5,710	(8,036)	(391)
Loss for the financial year	-	-	(392)	(392)
At 31 March 2009	1,935	5,710	(8,428)	(783)

23 Capital commitments

The Group had no significant capital commitments at 31 March 2009 or 31 March 2008.

Notes to the accounts *(continued)*

24 Commitments under operating leases

The Group was committed to making the following future minimum lease payments under non – cancellable operating leases which fall due as follows:

	2009 £'000	2008 £'000
Land and buildings - leases expiring:		
Between two and five years	-	148

In October 2008 Playwize Plc and the landlord of the premises at 2nd Floor Britannia Business Centre, 112 Cricklewood Lane London NW2 2DP agreed that, effective from 29 September 2008, the lease of these premises be surrendered on payment to the landlord of the sum of £10,000.

25 Contingent liabilities

The Shareholders have approved the following share issues contingent on the Company's completion of a reverse takeover:

- In consideration of Foo Katan agreeing to capitalise the debt of £30,000 owed to him by the Company, at a price equal to the greater of the then prevailing market value and the nominal value, and
- In consideration of John Corre agreeing to capitalise the debt of £20,000 owed to him by the Company, at a price equal to the greater of the then prevailing market value and the nominal value.

Other than referred to above, there are no contingent liabilities for the year (2008 – none).

26 Financial instruments

The Group's financial instruments comprise cash receivables and payables that arise directly from its operations.

The main risk from the Group's financial instruments is liquidity and the risk that the company or its subsidiary undertakings will encounter difficulties in meeting financial obligations as and when they fall due. To minimise this risk, the liquidity position and ongoing working capital requirements are regularly reviewed by the directors.

Financial assets and liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provision of the instrument.

At 31 March 2009 and 31 March 2008, there were no material differences between the fair value and book value of the Group's financial assets and liabilities which are set out below:

	2009 £'000	2008 £'000
Financial assets		
Cash and cash equivalents	13	354
Trade and other short term receivables	11	85
	24	439
Financial liabilities		
Trade and other short term payables	(28)	(115)
Loan notes (redeemable short term - Note 16)	(764)	(795)
	(792)	(910)

Notice of agm

Notice is hereby given that the Annual General Meeting of the shareholders of Playwize Plc will be held at 11.00am on 15 September 2009 at 7 Cork Street London W1S 3LJ for the following purposes:

Ordinary business

- 1 To receive and consider the financial statements and accounts of the Group and the reports of the directors and auditors for the year ended 31 March 2009.
- 2 To re-elect John Corre as a director of the Company.
- 3 To re-appoint Auerbach Hope as auditors and to authorise the directors to fix their remuneration.

By order of the Board

Dipak Pandya
Company Secretary

20 August 2009

Registered office:
7 Cork Street
London W1S 3LJ

Registered in England No. 4064683

Notes:

1. A member entitled to attend and vote at the Meeting may appoint a proxy or proxies to attend and, on a poll, vote instead of him or herself. The proxy need not be a member of the Company.
2. A form of proxy is provided. Proxies must be received at the office of the Company's Registrars, Capita IRG plc, Northern House, Woodsome Park, Fenay Bridge, Huddersfield, West Yorkshire HD8 0LA not less than 48 hours before the time fixed for the Meeting.
3. There will be available for inspection at the registered office of the Company during normal business hours from the date of this Notice to the date of the Annual General Meeting, and at the place of the Meeting for 15 minutes prior to and during the Meeting, the following:
 - a. The Register of directors' interests in shares of the Company; and
 - b. Copies of directors' contracts of service.