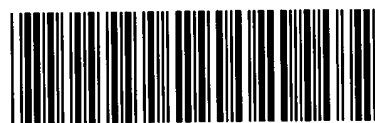


IGT-UK Gaming Limited

Company Registration No. 04562679

Annual Report and Financial Statements Year ended 31 December 2021

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IGT- UK GAMING LIMITED
Company Registration No. 4562679

ANNUAL REPORT AND FINANCIAL STATEMENTS 2021

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IGT- UK GAMING LIMITED
Company Registration No. 4562679

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

Paul Mears
Mark MacCombie

REGISTERED OFFICE

Quay West Trafford Wharf Road
Trafford Park
Manchester
M17 1HH

BANKERS

BNP PARIBAS
10 Harewood Avenue
NW1 6A
LONDON

SOLICITORS

Geldards LLP
Dumfries House
Dumfries Place
Cardiff
CF10 3ZF

INDEPENDENT AUDITORS

BDO LLP
55 Baker Street
London
W1U 7EU
United Kingdom



IGT- UK GAMING LIMITED
Company Registration No. 4562679

STRATEGIC REPORT

For the year ended 31st December 2021

Financial year

The financial statements are prepared for the year ended 31 December 2021.

Principal Activities

The principal activity of the company is the sale, lease and maintenance of gaming machines.

Review of the business and future developments

The company operates in the UK with its customer base being entirely in the UK. The customers include Casino operators in the UK who primarily lease machines and the games on it from the company for which daily lease fees are charged. The company also generates revenues from the sale of machines, spare parts and recurring maintenance fee contracts. The company has a good brand name in the UK market and a strong base of previously installed machines. The company expects to maintain its market share in the near future.

Total revenue in financial year 2021 was £4.9 million compared to £7.8 million in 2020. Turnover decreased during the year as the company has granted COVID-19 concessions of £1.9 million and the intercompany recharge due to no risk transfer pricing had been decreased compared to 2020. Cost of sales was £1.5 million in the current financial year 2021 compared with £2.0 million in 2020. The financial year ended 31 December 2021 showed a profit before taxation for the financial year of £0.6 million compared to a £0.6 million profit before taxation for the financial year 2020.

The outbreak of the coronavirus global pandemic ("COVID-19") in early 2020 had affected the company and it is challenging for the company to estimate the longer-term impact on the business. The company has been recovering from the impact of COVID-19 in the current financial year. The risks, mitigation and future outlook of the COVID-19 situation and impact on the company are described in the Principal risks and uncertainties.

Based on the financial review performed and the letter of support which IGT-UK Gaming Limited has received from International Game Technology PLC, intermediary parent company, the Directors have concluded that the company has adequate resources and support from International Game Technology PLC to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.



IGT- UK GAMING LIMITED
Company Registration No. 4562679

STRATEGIC REPORT (CONTINUED)

Principal risks and uncertainties

The principal risks and uncertainties of the Company are those that could affect the recoverability of the intercompany receivables.

Risk and uncertainties – The potential impact of COVID-19 on our business

The COVID-19 outbreak from financial year 2020 and resulting measures taken by various governments to contain the virus have already negatively affected the Global economy. This macroeconomic uncertainty causes general disruption to economic activity and the scale and duration of this pandemic remain unknown. The main risks that result from the current uncertain situation regarding COVID-19 impacting the Company or its subsidiaries are:

- The continuing and evolving COVID-19 pandemic: The extent and duration of the COVID-19 pandemic and related government actions has impacted, and may continue to impact, many aspects of the Company's business, including through workforce limitations, travel restrictions, closure of public buildings and businesses, cancellation of events, supply chain disruptions, decreased customer demand for its products and services and decreased consumer demand for some of the products and services that the Company provides to its customers and, in some cases, directly to consumers. Further, the perception of risk of infection have contributed to consumer unease, decreased discretionary spending and consumer travel, which have had and will continue to have a negative effect on the Company. The unfavourable economic condition resulting from the outbreak of COVID-19 has impacted and could continue to impact the business of the Company's customers, including their ability to make timely payments.
- The Group has implemented a cross-functional, company-wide COVID-19 response team focused on addressing the impact of the global pandemic on our employees, customers, liquidity, financial position and continuity of services. The Group continues to monitor the extent of the pandemic and its impact on the Company's results, operations, outlooks, plans, goals, growth, cash flows, and liquidity.
- Adverse changes in discretionary consumer spending: Socio-political and economic factors that impact consumer confidence may result in decreased discretionary spending by consumers and have a negative effect on the Company's business. Unfavourable changes in social, political and economic conditions and economic uncertainties, as well as decreased discretionary spending by consumers, may adversely impact customers, suppliers and business partners in a variety of ways. A decline in discretionary income over an extended period could cause some of the Company's customers to close casinos or other gaming operations, which would adversely affect the Company's business.
- The Group constantly reviews our business strategy and remains closely aligned with governments and other policy makers across our markets. The Group has a diverse portfolio across many regions and implements pricing initiatives and prize payout strategies to continue to improve our players experience.



IGT- UK GAMING LIMITED
Company Registration No. 4562679

STRATEGIC REPORT (CONTINUED)

Principal risks and uncertainties (Continued)

- The Directors have a reasonable expectation, based on the actions taken by the parent company International Game Technology PLC at the Group wide level to mitigate the impact of Covid19, that the Group has adequate resources to continue in operational existence for the foreseeable future and therefore will be well placed to manage its business risks successfully despite the difficult economic outlook.
- The Directors believe that it is appropriate for the financial statements to be prepared on the going concern basis, having received a letter of support from International Game Technology PLC, which indicates that it will continue to provide sufficient funds to enable the company to meet all its financial obligations as they fall due for a period of at least 12 months from the date of signing the financial statements.

Financial risk management

The company's operations expose it to a variety of financial risks that include foreign exchange rate risk and credit risk.

Foreign exchange rate risk arises from transactions when goods and services are bought or sold in currencies other than Pound Sterling.

The effects of credit risk are controlled as the company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed periodically by management.

IGT-UK Gaming Limited is a wholly owned subsidiary of IGT-UK Group Limited (immediate parent). IGT-UK Group Limited is a wholly owned subsidiary of International Gaming Technology PLC (intermediate parent). Further details of Group policies in relation to external financial risks, can be found in the Annual Report and Financial Statements of International Game Technology PLC. The consolidated financial statements of International Game Technology PLC are available at 66 Seymour Street, 2nd Floor London W1H 5BT United Kingdom and on the International Game Technology PLC website.

Key performance indicators

Given the straightforward nature of the business, the Company's key performance indicators are turnover and gross profit. For the financial year 2021 the turnover is £4.9 million (2020: £7.8 million) and gross profit is £3.4 million (2020: £5.8 million).



IGT- UK GAMING LIMITED
Company Registration No. 4562679

STRATEGIC REPORT (CONTINUED)

S172 - CONSIDERATION OF STAKEHOLDER INTERESTS

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interest of stakeholders and other matters in their decision making and their duty to promote the success of the company. This applies to accounting periods beginning on or after January 1, 2020. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the company.

The S172 statement focuses on matters of strategic importance to the company, and the level of information disclosed is consistent with the size and the complexity of the business.

General confirmation of Directors' duties

The Board has a clear framework for determining the matters within its remit. Certain financial and strategic thresholds have been determined to identify matters requiring Board consideration and approval. These rules and policies are designed and implemented across our wider group to ensure fairness and consistency and set out the delegation and approval process across the broader business.

As part of a larger group, many key decisions are made at higher levels, for example the company's funding strategy is considered at a central point. The company's parent International Game Technology PLC, publishes its Section 172 statement which is available as part of its annual report and can be viewed on its website at www.igt.com.

When making decisions (including implementing those made by other members of the group), each Director ensures that they act in the way they consider, in good faith, would most likely promote the company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

S172(1)(a) The likely consequences of any decision in the long term

The Directors understand the business and the evolving environment in which we operate, the strategy set by the wider group is intended to strengthen our position as a leading company in the provision of gaming equipment while keeping social responsibility fundamental to our business approach.

The Directors recognise how our operations may be viewed by different parts of society and the long term goals have been set in that context to increase long-term value for shareholders recognising that the long-term success of our business is dependent on our stakeholders and the external impact of our business activities on society.



IGT- UK GAMING LIMITED
Company Registration No. 4562679

STRATEGIC REPORT (CONTINUED)

S172(1)(b) The interests of the company's employees

The Directors recognise that our employees are fundamental and core to our business and delivery of our strategic ambitions. The success of our business depends on attracting, retaining and motivating employees. IGT would like to increase the presence of underrepresented groups at all levels and create a more inclusive organisational culture.

We have regular communication with our employees through our internal website (which includes a function to enable employees to ask senior directors questions), Company-wide meetings (which give updates on the groups progress to achieving strategic goals), employee engagement surveys and regular social media and email updates.

The group established the Office of Diversity and inclusion which is responsible for implementing programs that address increasing diversity and inclusion in the workplace and through its policies procedures and communication channels outlined above takes decisions wherever possible to ensure fair and favourable working conditions for all employees.

Although the company has been impacted by the Covid-19 pandemic in the year, the directors have tried to keep employees redundancies to the minimum. The directors did not make use of the government assistance scheme in the year.

S172(1)(c) The need to foster the company's business relationships with suppliers, customers and others

The company operates as a trusted partner to our customers in the lottery and gaming environment. Delivering our strategy requires strong mutually beneficial relationships with our suppliers and customers. The company adheres to strict principles in its dealings with both customers and suppliers.

We work only with customers whose integrity has been validated and with suppliers who can ensure high quality and can meet high economic and ethical standards.

During the Covid-19 pandemic periods, some concessions were granted to our customers on recurring-fee contracts in line with competitors in the market.

We publish, adhere to and monitor, a Code of Conduct, which sets out the company's zero tolerance approach to modern slavery and its commitment to implementing and enforcing effective systems and controls to reduce the risk of contracting with suppliers who practice modern slavery.

S172(1)(d) The impact of the company's operations on the community and the environment

The Board is committed to community involvement and supporting programmes that enrich and strengthen the community where we operate. We do this through a variety of programs. In the UK we have partnered with various charitable organisations.



IGT- UK GAMING LIMITED
Company Registration No. 4562679

STRATEGIC REPORT (CONTINUED)

Corporate Governance issues in areas such as corporate social responsibility programs, IGT sustainability report greenhouse gas emissions and global energy produced, UN sustainability Goals and adherence to the UN Global Compact are all monitored at group level.

S172(1)(e) The desirability of the company maintaining a reputation for high standards of business conduct

The Board follows key Group frameworks such as the Code of Conduct, Government Affairs Committee and the Corporate Governance Committee to ensure it adheres to high ethical standards. The group has a zero tolerance approach to modern slavery and extends this requirement to suppliers who wish to work with us, through supplier vetting and our published Supplier Code of conduct.

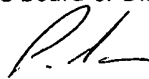
S172(1)(f) The need to act fairly between members of the company


After weighing up all relevant factors, the Directors consider which course of action best enables delivery of our strategy through the long-term, taking into consideration the impact on stakeholders. In doing so, our Directors act as fairly as possible and try to balance the Company's interest with those of other stakeholders, this can sometimes mean that certain stakeholder interests may not be fully aligned.

Key decisions made by the Board in the year

Most of the key decisions made affecting the company in the year ended 31 December 2021 were made at different group levels and implemented by the directors. Further information can be found in the annual report of the parent and specifically their section 172 statement at www.igt.com

Approved by the Board of Directors and signed on behalf of the Board.


Director: Paul Mears

Date:  2022



IGT- UK GAMING LIMITED
Company Registration No. 4562679

DIRECTORS' REPORT

For the year ended 31 December 2021

The directors are pleased to submit the annual report and audited financial statements for the year ended 31 December 2021.

Going Concern

The Directors have commented about COVID-19 and the effect that this has on the entity's ability to continue as a going concern in the strategic report. The Directors have also been considering other events affecting global trade. The Directors believe that it is appropriate for the financial statements to be prepared on the going concern basis having received a letter of support from the ultimate parent undertaking, International Game Technology PLC, which indicates that it will continue to provide sufficient funds to enable the company to meet all of its financial obligations as they fall due for a period of at least 12 months from the date of signing the financial statements.

Directors

Directors of the company who were in the office during the year and up to the date of signing the financial statements were;

Paul Mears
Mark MacCombie

Dividends

No dividends were declared during the year under review. The profits generated during the year were transferred to the reserves.

Disclosure of information to Auditors

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditors are unaware; and
- each of the Directors has taken all the steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

INDEPENDENT AUDITORS

BDO LLP have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board.

Director: Paul Mears

Date: 1st August 2022



IGT- UK GAMING LIMITED
Company Registration No. 4562679

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.



IGT- UK GAMING LIMITED
Company Registration No. 4562679

Independent Auditor's Report to the member of IGT-UK GAMING LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of IGT-UK Gaming Limited ("the Company") for the year ended 31 December 2021 which comprise of the Statement of Income and Accumulated Deficit, Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.



IGT- UK GAMING LIMITED
Company Registration No. 4562679

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

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

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

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 Strategic report or the Directors' report.

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

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

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



IGT- UK GAMING LIMITED
Company Registration No. 4562679

In preparing the financial statements, the Directors are 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 Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- obtaining an understanding of the legal and regulatory frameworks that are applicable to the Company; focussing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. These include, but are not limited to, compliance with the Companies Act, International Accounting Standards in conformity with the requirement of the Companies Act 2006 and tax legislation.
- making enquiries of management and the Board of the Company policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to irregularities (including fraud) or non-compliance with laws and regulations.
- communicating the relevant identified laws and regulations and potential fraud risks to all engagement team members, and remaining alert to any indications of irregularities (including fraud) or non-compliance with laws and regulations throughout the audit.
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur in the financial statements and any potential indicators of fraud. We identified potential for irregularities (including fraud) in the following areas and performed the following procedures:
 - journal testing: we tailored our testing of journal entries to identify potential irregularities (including fraud) regarding revenue recognition and management override.
 - reviewing significant accounting estimates: we considered the appropriateness of accounting estimates that involved making assumptions and considered future events that are inherently uncertain.



IGT- UK GAMING LIMITED
Company Registration No. 4562679

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations

is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:



Ed Green-Wilkinson (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK

Date: 05 August 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



IGT- UK GAMING LIMITED
Company Registration No. 4562679

STATEMENT OF INCOME AND ACCUMULATED DEFICIT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note(s)	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Turnover	6	4,851	7,845
Cost of sales		(1,450)	(2,028)
GROSS PROFIT		3,401	5,817
Administrative expenses		(2,879)	(5,306)
OPERATING PROFIT	7	522	511
Interest income and similar income	9	60	137
Interest payable and similar expenses	9	-	(24)
PROFIT BEFORE TAXATION		582	624
Tax on (profit) / loss	10	-	-
PROFIT AFTER TAXATION		582	624
Accumulated deficit as at beginning of year		(6,424)	(7,048)
ACCUMULATED DEFICIT AS AT 31 DECEMBER		(5,842)	(6,424)

All the results are derived from continuing operations.

The notes on page 18 to 32 form part of these financial statements.



IGT- UK GAMING LIMITED
Company Registration No. 4562679

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note(s)	31 December 2021 £'000	31 December 2020 £'000
FIXED ASSETS			
Tangible assets	11	238	691
Non-current assets	13	733	-
		<u>971</u>	<u>691</u>
CURRENT ASSETS			
Stocks	12	34	62
Debtors	13	5,440	16,226
		<u>5,474</u>	<u>16,288</u>
Creditors: amounts falling due within one year	14	<u>(12,257)</u>	<u>(23,341)</u>
NET CURRENT LIABILITIES		<u>(6,783)</u>	<u>(7,053)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(5,812)</u>	<u>(6,362)</u>
Creditors: amounts falling due after one year	15	<u>(30)</u>	<u>(62)</u>
NET LIABILITIES		<u>(5,842)</u>	<u>(6,424)</u>
CAPITAL AND RESERVES			
Called up share capital	16	-	-
Accumulated deficit		<u>(5,842)</u>	<u>(6,424)</u>
TOTAL SHAREHOLDERS' DEFICIT		<u>(5,842)</u>	<u>(6,424)</u>

The notes on pages 18 to 32 form part of these financial statements.

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

Director: Paul Mears

Date: 1st August 2022



IGT- UK GAMING LIMITED
Company Registration No. 4562679

Notes to the Financial Statements for the year ended 31 December 2021

1. GENERAL INFORMATION

The principal activity of the company is the sale, lease and maintenance of gaming machines.

IGT-UK Gaming Limited (the "Company") is a private company limited by shares, and is incorporated in the United Kingdom. The address of its registered office is Quay West Trafford Wharf Road, Trafford Park, Manchester M17 1HH.

2. STATEMENT OF COMPLIANCE

The individual financial statements of IGT-UK Gaming Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. BASIS OF PREPARATION

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance applicable United Kingdom accounting standards and the Companies Act 2006 and applicable accounting standards in the United Kingdom including FRS 102 on a basis consistent with the prior year.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in 'Critical accounting judgements and key source of estimation uncertainty' note.



IGT- UK GAMING LIMITED
Company Registration No. 4562679

Notes to the Financial Statements for the year ended 31 December 2021 (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going concern

The financial statements have been prepared on the going concern basis, which assumes that the company will continue in operational existence for the foreseeable future.

The Directors have considered the continued impact of COVID-19 on the Company's operations (including the effects of any governmental or regulatory response to the pandemic) and inflationary cost increases and reduced consumer spending and mitigations to these risks. Overall, the impact of these items would heighten certain risks, such as the execution of the Company's commercial strategies. The Company is continuously monitoring, and mitigating where possible, impacts of these risks. The Directors believe that, overall, the Company is well placed to manage its business risks successfully.

The Company's cash flows generated from operating activities together with cash flows generated from financing activities have historically been sufficient to meet the Company's liquidity requirements.

Having received a letter of support from the parent IGT PLC, the Directors consider it appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements contained in the Financial Statements

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the company's shareholders. A qualifying entity is defined as a member of a Group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The company is a qualifying entity as its results are consolidated into the financial statements of International Game Technology PLC, which are publicly available.

As a qualifying entity, the company has taken advantage of the following exemptions in its separate financial statements:

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
- iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.



IGT- UK GAMING LIMITED
Company Registration No. 4562679

Notes to the Financial Statements for the year ended 31 December 2021 (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency

i) Functional and presentation currency

The company's functional and presentational currency is the Pound Sterling, rounded off to nearest thousand.

ii) Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income and accumulated deficit.

Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax. Turnover is recognised on delivery of goods and services to customers on an accruals basis. Rental receivable for assets leased under operating leases is recognised on a straight line basis over the duration of the lease. Turnover on Sales Type Lease arrangements is recognised as follows:

- i) hardware sale is recognised at the inception of the lease arrangement.
- ii) sale of software, maintenance and cloud licences is recognised on a monthly basis from when the rentals are due.

Employee benefits

The company provides a range of benefits to employees, including paid holiday arrangement and defined contribution pension plans.

i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

ii) Defined contribution pension scheme

IGT-UK Group Limited operates a defined contribution pension scheme (formerly known as the Barcrest Group Limited scheme and changed by deed to the IGT-UK Group Limited scheme on 1 January 2010). Employees of IGT-UK Gaming Limited are eligible to join this pension scheme. The cost of providing pensions is charged to the statement of income and accumulated deficit as incurred. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the statement of financial position.



IGT- UK GAMING LIMITED
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Notes to the Financial Statements for the year ended 31 December 2021 (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Grants

Grants are accounted for under the accruals model. Wages grants, Government Coronavirus Job retention Scheme ("Furlough"), are credited against the related wages expenditure, due to their immaterial nature, in the same financial period.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of income and accumulated deficit, except to the extent that it relates to items recognised directly in equity. In this case tax is also recognised directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated at cost, net of accumulated depreciation and accumulated impairment losses.

Depreciation is provided on cost in equal instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Leasehold improvements	10% - 20% per annum
Gaming machines	20% - 33% per annum

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Repairs, maintenance and minor inspection costs are expensed as incurred.



Notes to the Financial Statements for the year ended 31 December 2021 (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the statement of income and accumulated deficit.

Leased assets

At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

a) Company as a lessor

i) Operating leased assets

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

b) Company as a lessee

i) Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Operating lease rentals are charged to the statement of income and accumulated deficit on a straight line basis over the period of the lease.

Administrative expenses include £ 0.86m (2020: £ 0.86m) relating to rental of office space and leased vehicles.

ii) Lease incentives

Incentives received to enter into an operating lease are initially capitalised and subsequently credited to the statement of income and accumulated deficit, to reduce the lease expense, on a straight-line basis over the period of the lease.

Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.



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Notes to the Financial Statements for the year ended 31 December 2021 (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the statement of income and accumulated deficit. Thereafter any excess is recognised in the statement of income and accumulated deficit.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of income and accumulated deficit.

Stocks

Stocks of parts are stated at the lower of cost and estimated selling price. Stocks are recognised as an expense in the period in which the related revenue is recognised.

At the end of each reporting period stocks are assessed for obsolescence. If an item of stock has become obsolete or damaged, the identified stock is reduced to its expected selling price or written off in the statement of income and accumulated deficit.

Stocks of machines bought for leasing are treated as fixed assets until the end of the leases or conversion to sale.

Stocks of machines bought for specific customer orders, if not delivered by the year end, are held in stocks at cost and will be released to cost of sales when sold.

Cash and cash equivalents

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

Financial Instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

i) Financial assets

Basic financial assets, including trade debtors, amount owed by group undertakings and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.



IGT- UK GAMING LIMITED
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Notes to the Financial Statements for the year ended 31 December 2021 (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in statement of income and accumulated deficit.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in statement of income and accumulated deficit.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii) Financial liabilities

Basic financial liabilities, including trade creditors and amounts owed to group undertakings, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The Company does not hold or issue derivatives financial instruments.

iii) Offsetting

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



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Notes to the Financial Statements for the year ended 31 December 2021 (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related party transactions

The company has taken advantage of the exemption contained in paragraph 33.1A of FRS 102 "related party transactions" for wholly owned subsidiaries not to disclose transactions with entities that are part of the group qualifying as related parties.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCE OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

i) Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the tangible fixed assets, and accounting policy for the useful economic lives for each class of asset.

ii) Utilisation of deferred tax losses

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax assets are valued using the tax rates substantively enacted at the year end and are recognised to the extent that the future taxable profits within the tax group will be available against which the temporary differences can be utilised.



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**Notes to the Financial Statements for the year ended
31 December 2021 (continued)**

6. TURNOVER

Analysis of turnover by geography:

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Turnover by destination		
United Kingdom	4,851	7,845
	<u>4,851</u>	<u>7,845</u>

Analysis of turnover by category:

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Sale of goods	564	658
Rendering of services – Maintenance of gaming machine	756	1,034
Rendering of services – Service income	152	5,129
Sales Type Lease	1,170	-
Lease income	2,209	1,024
	<u>4,851</u>	<u>7,845</u>



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Notes to the Financial Statements for the year ended 31 December 2021 (continued)

7. OPERATING PROFIT

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Operating loss is stated after (crediting)/charging:		
Depreciation of tangible fixed assets	610	737
Rentals payable under operating leases	86	87
Government Grants Furlough Income	-	(113)
Fees payable for the audit	15	15
Impact of foreign exchange	(892)	1,318

8. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Staff costs during the year		
Wages and salaries	2,777	2,694
Social security costs	259	285
Other pension costs	136	126
	<u>3,172</u>	<u>3,105</u>

No furlough income receivable in 2021; in 2020 £113k

Average number of persons employed (excluding directors)	Year ended 31 December 2021 No	Year ended 31 December 2020 No
Sales and distribution	5	6
Administration	42	36
	<u>47</u>	<u>42</u>

The directors are remunerated by other companies in the International Game Technology PLC group and received no remuneration for qualifying services from IGT-UK Gaming Limited during the year (2020: £nil).



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**Notes to the Financial Statements for the year ended
31 December 2021 (continued)**

9. INTEREST INCOME / (EXPENSE) AND SIMILAR INCOME / (EXPENSES)

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Interest expense – Group	-	(24)
Interest income – Group	60	137
	60	113

10. TAX ON PROFIT

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Current tax		
UK corporation tax	-	-
Total current tax	-	-
Total tax (credit) / charge on loss	-	-

Tax assessed for the year is the same as (2020: higher) than the standard rate of corporation tax in UK for the year ended 31 December 2021 of 19% (2020: 19%). The differences are explained below:

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Profit before taxation	582	624
Profit before taxation at standard UK tax rate of 19% (2019:19%)	111	119
Expenses not deductible for tax purposes	(98)	1
Income not taxable	(4)	-
Movement in unrecognised deferred tax asset		(102)
Effect of group relief	(123)	(18)
Not recognised	114	
Total tax (credit) / charge for the year	-	-



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**Notes to the Financial Statements for the year ended
31 December 2021 (continued)**

11. TANGIBLE ASSETS

	Leasehold improvements £'000	Gaming Machines £'000	Total £'000
Cost			
At 1 January 2021	704	7,197	7,901
Additions	-	680	680
Less Disposals	-	(2,959)	(2,959)
At 31 December 2021	704	4,917	5,622
Accumulated Depreciation			
At 1 January 2021	544	6,666	7,210
Charge for the year	63	547	610
Less Disposals	-	(2,436)	(2,436)
At 31 December 2021	607	4,776	5,384
Net Book Value			
At 31 December 2021	97	141	238
At 31 December 2020	160	531	691

12. STOCKS

	31 December 2021 £'000	31 December 2020 £'000
Spare Parts	9	12
Finished Goods	25	50
	34	62

The amount of stocks recognised as an expense during the year was £0.5 million (2020: £0.7 million). There is no material difference between the statement of financial position value of stocks and their replacement costs.



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**Notes to the Financial Statements for the year ended
31 December 2021 (continued)**

13. DEBTORS

	31 December 2021 £'000	31 December 2020 £'000
Amounts falling due after more than one year:		
Trade debtors	733	-
Amounts falling due within one year:		
Trade debtors	863	3,567
Amounts owed by group undertakings	4,553	12,636
Prepayments and accrued income	24	23
	6,173	16,226

Trade debtors falling due after more than one year in the prior year included trade debtor balances with extended repayment terms. As extended payment terms are provided to customers interest free, revenue under these contracts is discounted for the imputed interest calculated based on market rates and recorded as interest income on a straight-line basis over the period of the contract. As per 31 December 2021 all amounts originating from 2020 were paid by the customers.

Amounts owed by the group undertakings are unsecured, repayable on demand and interest free with the exception of Intercompany cash-pooling loan balances receivable which attract interest receivable from International Game Technology PLC at market related bank interest rates. The Cash pooling loan receivable from International Game Technology PLC amounted to £4.4 million as at 31 December 2021 (£11.52 million as at 31 December 2020).

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2021 £'000	31 December 2020 £'000
Trade creditors	21	102
Amounts owed to group undertakings	11,523	22,531
VAT payable	241	383
Accruals and deferred income	365	248
Other taxation, social security	107	77
	12,257	23,341



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Notes to the Financial Statements for the year ended 31 December 2021 (continued)

Amounts owed to group undertakings are unsecured, repayable on demand and interest free with the exception of the Intercompany Cash pooling loan balances payable which require interest to be paid to International Game Technology PLC at market related bank interest rates calculated on the daily outstanding balance.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 December 2021 £'000	31 December 2020 £'000
Accruals and deferred income	30	62
	<u>30</u>	<u>62</u>

16. CALLED UP SHARE CAPITAL

	31 December 2021	31 December 2020
Allotted, issued and fully paid		
100 (2020: 100) ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

17. FINANCIAL COMMITMENTS

At 31 December 2021, the Company had the following future minimum lease payments/receivables under non-cancellable operating leases for each of the following periods:

Payments due	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Operating lease commitments which expire:		
Not later than one year	190	190
Later than one year and not later than five years	73	263
	<u>263</u>	<u>453</u>



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Notes to the Financial Statements for the year ended 31 December 2021 (continued)

18. ULTIMATE PARENT COMPANY AND RELATED PARTY TRANSACTIONS

The Company's immediate parent company is IGT-UK Group Limited.

The Company's intermediate parent company is International Game Technology PLC, a public limited company organized under the laws of England and Wales (the "Intermediate Parent"), which has its corporate headquarters in London, England. The Intermediate Parent is the successor to GTECH S.p.A., a società per azioni incorporated under the laws of Italy ("GTECH"), and the sole stockholder of International Game Technology, a Nevada corporation. The Intermediate Parent, together with its consolidated subsidiaries, has principal operating facilities in Rome, Italy; Providence, Rhode Island; and Las Vegas, Nevada.

The ultimate parent entity of IGT-UK Gaming Limited is B&D Holding di Marco Drago e.C.S.a.p.a., which has the registered address of Via Giovanni Da Vaerazano 15 Novara, NO 28100 Italy.

The parent undertaking of both the smallest and the largest group which includes the Company for which group financial statements are prepared is International Game Technology PLC.

Advantage has been taken of the exemption contained in paragraph 33.1A of FRS 102 "related party transactions" not to disclose transactions between entities, 100% of whose voting rights are controlled within the IGT Group. The financial statements of the intermediate parent company are publicly available on the International Game Technology PLC website.

19. SUBSEQUENT EVENTS

The directors have commented about the continued impact of COVID-19 and other significant events (inflationary price increases, reducing discretionary customer spending, staff recruitment issues) in the strategic report. They have considered the continued impact of COVID-19 on the company business and other significant events affecting the business. They believe appropriate actions have been taken to reduce the impact of COVID-19 and other significant events as well. After due consideration the directors do not consider that there are any subsequent events that require adjustments or disclosure in the financial statements.