

Company Registration No. 08815227 (England and Wales)

Cloud Imperium Games UK Limited

**Annual report and financial statements
for the year ended 31 December 2015**

WEDNESDAY



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21/12/2016
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Cloud Imperium Games UK Limited

Company information

Directors	Ortwin Freyermuth Christopher Roberts Erin Roberts
Company number	08815227
Registered office	Freedom House Church Street Wilmslow Cheshire United Kingdom SK9 1AX
Independent auditors	Saffery Champness 71 Queen Victoria Street London EC4V 4BE

Cloud Imperium Games UK Limited

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Cloud Imperium Games UK Limited

Directors' report

For the year ended 31 December 2015

The directors present their annual report and financial statements for the year ended 31 December 2015.

Principal activities

The principal activity of the company was that of video game production and development.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Ortwin Freyermuth
Christopher Roberts
Erin Roberts

Auditor

Saffery Champness were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Cloud Imperium Games UK Limited

Directors' report (continued)

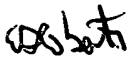
For the year ended 31 December 2015

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



.....
Erin Roberts

Director

20.12.2016

Cloud Imperium Games UK Limited

Independent auditors' report

To the members of Cloud Imperium Games UK Limited

We have audited the financial statements of Cloud Imperium Games UK Limited for the year ended 31 December 2015 set out on pages 5 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on 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 2015 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.

Cloud Imperium Games UK Limited

Independent auditors' report (continued)

To the members of Cloud Imperium Games UK Limited

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, 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 any material misstatements in the Directors' Report.

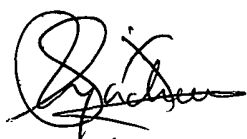
Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Other matters - Prior period financial statements

In forming our opinion on the financial statements, which is not qualified, we note that the prior period financial statements were not audited. Consequently, International Standards on Auditing (UK and Ireland) require the auditor to state that the corresponding figures contained within these financial statements are unaudited.



Moses Nyachae (Senior Statutory Auditor)
for and on behalf of Saffery Champness

21/12/16
.....

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Cloud Imperium Games UK Limited

Profit and loss account
For the year ended 31 December 2015

		Year ended 31 December 2015 £	Period ended 31 December 2014 £
	Notes		
Turnover		14,830,675	5,704,006
Cost of sales		(15,169,773)	(5,700,000)
Gross (loss)/profit		<u>(339,098)</u>	<u>4,006</u>
Administrative expenses		604,397	(4,006)
Profit before taxation		<u>265,299</u>	<u>-</u>
Taxation		-	-
Profit for the financial year	9	<u><u>265,299</u></u>	<u><u>-</u></u>

Cloud Imperium Games UK Limited

Balance sheet
As at 31 December 2015

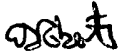
	Notes	£	2015 £	£	2014 £
Fixed assets					
Intangible assets	3		1,359,185		-
Investments	4		440,001		440,001
			<u>1,799,186</u>		<u>440,001</u>
Current assets					
Cash at bank and in hand		1,101		2,086	
Creditors: amounts falling due within one year	6	<u>(626,563)</u>		<u>(243,987)</u>	
Net current liabilities			<u>(625,462)</u>		<u>(241,901)</u>
Total assets less current liabilities			<u>1,173,724</u>		<u>198,100</u>
Creditors: amounts falling due after more than one year	7		<u>(710,325)</u>		-
Net assets			<u><u>463,399</u></u>		<u><u>198,100</u></u>
Capital and reserves					
Called up share capital	8		100		100
Share premium account			198,000		198,000
Profit and loss reserves	9		265,299		-
Total equity			<u><u>463,399</u></u>		<u><u>198,100</u></u>

Cloud Imperium Games UK Limited

**Balance sheet (continued)
As at 31 December 2015**

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on ~~30 December 2016~~ and are signed on its behalf by:



.....
Erin Roberts
Director

Company Registration No. 08815227

Cloud Imperium Games UK Limited

Statement of cash flows
For the year ended 31 December 2015

	Notes	£	2015 £	£	2014 £
Cash flows from operating activities					
Cash generated from operations	13		703,588		243,987
Investing activities					
Purchase of intangible assets		(1,359,185)		-	
Proceeds on disposal of intangibles		654,612		-	
Proceeds on disposal of fixed asset investments		-		(440,001)	
Net cash used in investing activities			(704,573)		(440,001)
Financing activities					
Proceeds from issue of shares		-		198,100	
Net cash (used in)/generated from financing activities			-		198,100
Net (decrease)/increase in cash and cash equivalents			(985)		2,086
Cash and cash equivalents at beginning of year			2,086		-
Cash and cash equivalents at end of year			1,101		2,086

1 Accounting policies

Company information

Cloud Imperium Games UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is Freedom House, Church Street, Wilmslow, Cheshire, United Kingdom, SK9 1AX.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The company balance sheet shows net liabilities as at 31 December 2015 of (£186,799). The directors have pledged to support the company for 12 months from the date of their approval of these financial statements. Given this support, the directors consider it appropriate to prepare the financial statements on the going concern basis.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts,

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Intellectual Property

Straight line over 5 years

1 Accounting policies (continued)

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

1 Accounting policies (continued)

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 profit or loss.

If there is a 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 profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Notes to the financial statements (continued)
For the year ended 31 December 2015

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

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 'creditors: amounts falling due within one year' if payment is due within one year or less. If not, they are presented as 'creditors: amounts falling due after more than one year'. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit or loss.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

Cloud Imperium Games UK Limited

**Notes to the financial statements (continued)
For the year ended 31 December 2015**

1 Accounting policies (continued)

1.10 Consolidation

In the opinion of the directors, the company and its subsidiary undertaking comprise a small group. The company has therefore taken advantage of the exemption provided by Section 398 of the Companies Act 2006 not to prepare group accounts.

2 Operating profit

	2015	2014
	£	£
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	5,036	-
Exchange losses	37,717	-
Profit on disposal of intangible assets	(654,612)	-
	<u> </u>	<u> </u>

3 Intangible fixed assets

	Intellectual Property
	£
Cost	
At 1 January 2015	-
Additions	1,359,185
	<u> </u>
At 31 December 2015	1,359,185
	<u> </u>
Amortisation and impairment	
At 1 January 2015 and 31 December 2015	-
	<u> </u>
Carrying amount	
At 31 December 2015	1,359,185
	<u> </u>
At 31 December 2014	-
	<u> </u>

The directors have reviewed the net value of intellectual property purchased in the year and do not believe its value has depreciated in the short time since the transaction was completed with effect from 1 July 2015.

Cloud Imperium Games UK Limited

**Notes to the financial statements (continued)
For the year ended 31 December 2015**

4 Fixed asset investments

	2015	2014
	£	£
Investments	440,001	440,001

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 1 January 2015 & 31 December 2015	440,001
Carrying amount	
At 31 December 2015	440,001
At 31 December 2014	440,001

5 Subsidiaries

Details of the company's subsidiaries at 31 December 2015 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Foundry 42 Limited	United Kingdom	Video game production and development	Ordinary	100.00
Roberts Space Industries International Limited	United Kingdom	Video game production and development	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/ (Loss)	Capital and Reserves
	£	£
Foundry 42 Limited	3,336,289	4,192,777
Roberts Space Industries International Limited	-	1

Cloud Imperium Games UK Limited

Notes to the financial statements (continued)
For the year ended 31 December 2015

6 Creditors: amounts falling due within one year

	2015	2014
	£	£
Trade creditors	19,975	-
Amounts due to group undertakings	321,871	-
Other taxation and social security	280,217	-
Other creditors	4,500	243,987
	<u>626,563</u>	<u>243,987</u>

7 Creditors: amounts falling due after more than one year

	2015	2014
	£	£
Other long term loans	710,325	-
	<u>710,325</u>	<u>-</u>

8 Called up share capital

	2015	2014
	£	£
Ordinary share capital		
Issued and fully paid		
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

9 Profit and loss reserves

	2015	2014
	£	£
At the beginning of the year	-	-
Profit for the year	265,299	-
	<u>265,299</u>	<u>-</u>
At the end of the year	<u>265,299</u>	<u>-</u>

10 Control

The controlling party is Christopher Roberts due to his majority shareholding in the company.

Cloud Imperium Games UK Limited

**Notes to the financial statements (continued)
For the year ended 31 December 2015**

11 Related party transactions

Transactions with related parties

The company has taken advantage of the exemption under paragraph 33.1a of FRS 102 from disclosing transactions already entered into between two or more members of a group, where any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group.

Roberts Space Industries Corporation	2015	2014
	£	£
Balance brought forward	(239,987)	-
Costs recharged in the year	-	5,704,006
Costs settled in the year	239,987	(5,943,993)
	<hr/>	<hr/>
Amounts due to Roberts Space Industries Corporation as at 31 December 2015	<hr/> <hr/>	<hr/> <hr/>

Cloud Imperium Games LLC	2015	2014
	£	£
Balance brought forward		
Funding provided in the year	(3,923,594)	-
Amounts repaid during the year	3,923,594	-
	<hr/>	<hr/>
Amounts due to Cloud Imperium Games LLC as at 31 December 2015	<hr/> <hr/>	<hr/> <hr/>

Roberts Space Industries Corporation and Cloud Imperium Games LLC are considered related parties as Christopher Roberts is the ultimate controlling party of Roberts Space Industries Corporation, Cloud Imperium Games LLC and Cloud Imperium Games UK Limited.

The balance owed at period end is included within other creditors.

Notes to the financial statements (continued)
For the year ended 31 December 2015

12 Transition to FRS 102

For the period ended 31 December 2014, the company prepared its financial statements in accordance with previously existent United Kingdom Generally Accepted Accounting Practice (UK GAAP). These financial statements, for the year ended 31 December 2015, are the first that the company has prepared in accordance with FRS 102. Accordingly, the company has prepared these financial statements to comply with FRS 102 for period beginning on or after 23 September 2014 and the significant accounting policies meeting those requirements are described in the relevant notes.

The net effect of the recording items between the profit for the financial statements ended 31 December 2015 and the total equity as at 31 December 2014 between UK GAAP as previously reported and FRS 102 is £nil.

13 Cash generated from operations

	2015	2014
	£	£
Profit/(loss) for the year after tax	265,299	-
Adjustments for:		
Gain on disposal of intangible assets	(654,612)	-
Movements in working capital:		
Increase in creditors	1,092,901	243,987
Cash generated from operations	<u>703,588</u>	<u>243,987</u>