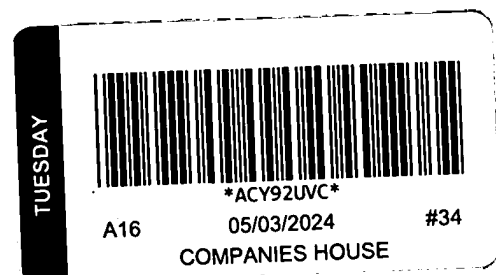


Company Registration No. 08882924 (England and Wales)

Roberts Space Industries International Limited

**Annual report and financial statements
for the year ended 31 December 2022**



Roberts Space Industries International Limited

Company information

Directors	Christopher Roberts Erin Roberts
Company number	08882924
Registered office	Manchester Goods Yard 6 Goods Yard Street Manchester United Kingdom M3 3BG
Independent auditor	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Manchester Hardman Sq 1 Hardman Square Spinningfields Manchester M3 3EB

Roberts Space Industries International Limited

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Roberts Space Industries International Limited

Strategic report

For the year ended 31 December 2022

The directors present the strategic report for the year ended 31 December 2022.

Principal Activities

Roberts Space Industries International Limited ("the Company") operates from the UK, as a wholly owned subsidiary of its parent, Cloud Imperium UK Ltd. Its principal activity continues to be computer game publishing and it operates the UK Groups' publishing and marketing for the geographical region outside of the USA for Squadron 42 and Star Citizen, each being developed by the Cloud Imperium Group and the former title being co-developed by fellow subsidiary Cloud Imperium Games Limited.

Fair review of the business

The Company has enjoyed another successful year of revenue growth in the year ended 31 December 2022 up by 22.7% to £46.8m (2021: £38.1m restated), reflecting the increased user engagement during the year. As at 31 December 2022 the Company reported net assets of £9.5m (2021: £7.3m restated).

The strong performance in 2022 is testament to the company's continued objective of developing and delivering a AAA gaming experience and engaging its customer base throughout this process with frequent alpha releases and community updates. The company remains focused upon its objective of sustainable growth in line with the creative and technological vision for this held by Chris Roberts and the engaged community and new players supporting it.

The economic and competitive environment is expected to remain challenging during the year ahead as global economies navigate the post pandemic recovery and governments wrestle with the challenges of high inflation. Whilst monitoring and being prepared for what may come, the directors have little influence over the macro risks presenting themselves in these unprecedented times. The directors are aiming to build on the exceptional performance enjoyed in 2022 and minimise the risks with continued improvements to build robustness and added features through the strengthening of the underlying technology.

Principal risks and uncertainties

The Company continued the trend of record breaking growth with revenue up 22.7% in 2022. Careful consideration has been taken to ensure that the business manages and controls the growth to maintain the objective to publish its ground breaking titles, Star Citizen and Squadron 42.

Economic Risk

The risk of increasing rates of inflation impacting the cost of living and availability of consumer disposable income combined with worldwide lockdowns declining and restrictions being lifted allowing for alternative entertainment choices being available could have driven a downturn in user engagement during 2022. However, the regular and *improving game deliveries and increased content and key playability* ensured the momentum gained during the lockdowns and engagement of new users continued into 2022.

Technology Risk

It is imperative that the business has the systems and technology to deliver a AAA gaming experience to its customer base. A robust cyber security system is essential to ensuring our systems are secure to support the ongoing business operations. A security breach or major system failure could significantly impact the business and its ability to execute its plans. This risk is mitigated by the continued development of the systems and investment in cyber security.

Competition Risk

The risk of user engagement decreasing due to a competitor delivering a comparable video game is mitigated by Star Citizen's unique open development model, the dialogue and communication the business has established with the Star Citizen community and by offering an unparalleled seamless AAA mass multiplayer space simulation experience with the functionality and finesse Star Citizen delivers and on a scale like no other game currently in the marketplace.

Roberts Space Industries International Limited

Strategic report (continued)

For the year ended 31 December 2022

Financial Risk Management

Liquidity Risk

The Company's cash and cash equivalents consists of cash and funds on deposit. The Company's primary investment policy and strategies are focused on the preservation of capital and supporting its liquidity requirements.

Interest Rate Risk

The Company manages its cash and borrowings requirements in order to maximise interest income and minimise interest expenses, whilst ensuring the Company has sufficient liquid resources to meet the operating needs of the business. Management monitors interest rate movements and considers any material impact on maximising returns for the business.

Foreign Currency Risk

The Company's cost base is predominantly in pounds sterling whilst its revenue is generated globally, with the largest share being received in US dollars followed by Euros. As such there is a risk that the Company's financial performance could be adversely affected by unfavourable movements in foreign exchange. The Company continues to assess ways to mitigate this risk and manage the exposure to US dollars and Euros income.

Credit Risk

Investments of cash surpluses, borrowings and derivatives instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

Going Concern

Management has prepared group cash flow forecasts for at least 12 months from the date of approval of these financial statements which indicate that, taking account of a severe but plausible downside scenario, the group and company will have sufficient funds to meet its liabilities as they fall due for the next 12 months. The cash flow forecasts have been reviewed by the Directors.

Cloud Imperium UK Limited, the immediate parent company, has also indicated its intention not to seek repayment of the amounts advanced to the company and will also provide additional funding to the company as needed.

Based on the going concern assessment performed, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Outlook

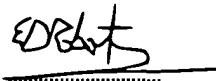
The Company has reported a strong 2023, building on the positive momentum and underpinning the Board and management team's confidence in our ability to deliver on our strategic ambitions.

The business is confident it will continue with its expansion plans and delivery of its future releases and patches during the 12 months from the date the Board of Directors approve the financial statements. Confidence in the gaming industry remains high and the directors believe the Company is established and committed to overcome the challenges presented in the post pandemic recovery and the increases to its cost base through higher inflation.

Roberts Space Industries International Limited

Strategic report (continued)
For the year ended 31 December 2022

On behalf of the board

A handwritten signature in black ink, appearing to read 'ER Roberts', is written over a horizontal line.

Erin Roberts
Director

Date: 1 March 2024

Roberts Space Industries International Limited

Directors' report

For the year ended 31 December 2022

The directors present their annual report and audited financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company was that of video game publishing.

Results and dividends

The results for the year are set out on page 9. Turnover for the year ended 31 December 2022 was £46.8m (2021: £38.1m restated) a growth of 22.7% reflecting the increased user engagement during the year. Net assets at 31 December 2022 are £9.5m (2021: £7.3m as restated).

No ordinary dividends were paid (2021:£nil). The directors do not recommend payment of a final dividend.

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

(Resigned 31 May 2023)

Independent Auditors

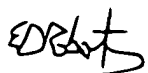
PricewaterhouseCoopers LLP were appointed as auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditors

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.

On behalf of the board



Erin Roberts
Director

Date: 1 March 2024

Roberts Space Industries International Limited

Directors' responsibilities statement For the year ended 31 December 2022

The directors are responsible for preparing the Annual report and 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, 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 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 also 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.

Independent auditors' report to the members of Roberts Space Industries International Limited

Report on the audit of the financial statements

Opinion

In our opinion, Roberts Space Industries International Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: Statement of financial position as at 31 December 2022; Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

In preparing the financial statements, the 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.

Auditors' 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 auditors' 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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results, including relating to unusual postings to profit and loss, and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions made by management in the selection and application of significant accounting judgements and estimates; and
- Identifying and testing the validity of journal entries, in particular any journal entries posted with unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- 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
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Dev Solanki (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
1 March 2024

Roberts Space Industries International Limited**Statement of comprehensive income
For the year ended 31 December 2022**

		2022	2021
	Notes	£	as restated £
Turnover	3	46,800,154	38,140,014
Cost of sales	4	(43,215,356)	(34,486,733)
Gross profit		<u>3,584,798</u>	<u>3,653,281</u>
Administrative expenses		<u>(1,356,219)</u>	<u>(1,907,745)</u>
Profit before taxation		2,228,579	1,745,536
Tax on profit	7	<u>-</u>	<u>-</u>
Profit for the financial year		<u><u>2,228,579</u></u>	<u><u>1,745,536</u></u>

The Statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

See Note 15 for further details of the restatement.

Roberts Space Industries International Limited

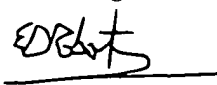
Statement of financial position

As at 31 December 2022

		2022		2021 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8		271,601		9,472
Current assets					
Stocks	9	102,363		134,695	
Debtors	10	5,567,530		459,715	
Cash at bank and in hand		14,819,293		16,919,329	
		20,489,186		17,513,739	
Creditors: amounts falling due within one year	11	(11,232,953)		(10,223,956)	
Net current assets			9,256,233		7,289,783
Net assets			9,527,834		7,299,255
Capital and reserves					
Called up share capital	12		1		1
Retained earnings			9,527,833		7,299,254
Total equity			9,527,834		7,299,255

See Note 15 for further details of the restatement.

The financial statements were approved by the board of directors and authorised for issue on 1 March 2024 and are signed on its behalf. The notes on pages 12 to 21 form part of these financial statements.



Erin Roberts
Director

Company Registration No. 08882924

Roberts Space Industries International Limited**Statement of changes in equity
For the year ended 31 December 2022**

	Share capital £	Retained earnings £	Total £
As restated for the period ended 31 December 2021:			
Balance at 1 January 2021	1	-	1
Effect of change in restatement	-	5,553,718	5,553,718
As restated	1	5,553,718	5,553,719
Year ended 31 December 2021 as restated :			
Profit and total comprehensive income for the year	-	1,745,536	1,745,536
Balance at 31 December 2021 as restated	1	7,299,254	7,299,255
Year ended 31 December 2022:			
Profit and total comprehensive income for the year	-	2,228,579	2,228,579
Balance at 31 December 2022	1	9,527,833	9,527,834

See Note 15 for further details of the restatement.

Roberts Space Industries International Limited

Notes to the financial statements

For the year ended 31 December 2022

1 Accounting policies

Company information

Roberts Space Industries International Limited is a private company limited by shares incorporated in England and Wales. The registered office is Manchester Goods Yard, 6 Goods Yard Street, Manchester, United Kingdom, M3 3BG.

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.

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. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Cloud Imperium UK Ltd. These consolidated financial statements are available from its registered office, Manchester Goods Yard, 6 Goods Yard Street, Manchester, United Kingdom, M3 3BG.

1.2 Going concern

Management has prepared group cash flow forecasts for at least 12 months from the date of approval of these financial statements which indicate that, taking account of a severe but plausible downside scenario, the group and company will have sufficient funds to meet its liabilities as they fall due for the next 12 months. The cash flow forecasts have been reviewed by the Directors.

Cloud Imperium UK Ltd, the immediate parent company, has also indicated its intention not to seek repayment of the amounts advanced to the company and will also provide additional funding to the company as needed.

Based on the going concern assessment performed, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Roberts Space Industries International Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

1 Accounting policies (continued)

1.3 Turnover

Early access income

Revenue includes receipts generated from early access to an open alpha version of Star Citizen, a video game that is in development.

The majority of the Company's revenue is in the form of pledge receipts made from the Company's own website. Revenue is recognised at the point at which the content is sold to the customer and the significant risks and rewards of ownership have passed to the buyer. The pledge receipts are recognised as revenue to match against the development costs incurred on the game by other group undertakings. Any pledge receipts that have not yet been spent on the development of the game by other group undertakings are treated as deferred revenue until said funds are deployed on game development.

Subscription income

The Company generates subscription revenue which gives the subscriber exclusive perks and rewards, with the Company recognising this revenue over the subscription period.

Merchandise income

The Company receives revenue from the sale of physical merchandise. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Publishing income

The Company receives a fee from other group undertakings for its fund raising and publishing services.

1.4 Cost of Sales

Cost of sales includes merchant fees that arise from customer sales, costs of goods sold and publishing fees.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

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

Leasehold improvements	5 year straight line
Fixtures, fittings & equipment	3 year straight line
Computer equipment	2 year straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

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.

1.6 Stocks

Stocks are physical merchandise and are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is calculated using the weighted average cost method.

1 Accounting policies (continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

1.8 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.

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.

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.

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies, 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 payments 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. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.9 Equity instruments

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

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

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

1.11 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 income statement for the period.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Revenue recognition

The Company has determined it most appropriate to recognise any pledge receipts as revenue to match against the development costs incurred on the game by other group undertakings. Any pledge receipts that have not yet been spent on the development of the game by other group undertakings are treated as deferred revenue until said funds are deployed on the game development.

3 Turnover

An analysis of the company's turnover is as follows:

	2022	2021
	£	as restated £
Turnover analysed by class of business		
Early access	42,309,197	34,257,251
Subscription	2,053,880	1,784,244
Merchandise	208,498	352,983
Publishing fees	2,228,579	1,745,536
	<u>46,800,154</u>	<u>38,140,014</u>
	2022	2021
	£	as restated £
Turnover analysed by geographical market		
EU	19,288,568	16,413,892
Non EU	27,511,586	21,726,122
	<u>46,800,154</u>	<u>38,140,014</u>

Roberts Space Industries International Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2022**4 Cost of Sales**

	2022	2021
	£	£
Merchant fees	1,232,434	970,618
Publishing fees	41,347,101	33,099,546
Merchandise and other costs	635,821	416,569
	<u>43,215,356</u>	<u>34,486,733</u>

Publishing fees are charged by Cloud Imperium UK Ltd., the parent company.

5 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(1,098,610)	13,622
Fees payable to the company's auditors for the audit of the company's financial statements	35,000	16,000
Employment costs recharged from fellow group companies	1,929,960	1,531,720
Depreciation of owned tangible fixed assets	<u>38,833</u>	<u>10,244</u>

During the year ended 31 December 2022, fees payable to the company's auditors and associates for non-audit services was £nil (2021: £nil).

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was 0 (2021: 0).

Directors remuneration of £nil (2021:£nil) was paid. The directors of the company are reimbursed from different entities within the group.

Roberts Space Industries International Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

7 Taxation

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
Profit before taxation	2,228,579	1,745,536
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	423,430	331,652
Adjustments in respect of prior years	1,386,858	1,055,206
Group relief	(1,742,007)	(1,386,858)
Permanent capital allowances in excess of depreciation	(17,155)	(160)
Deferred tax not recognised	16,145	9
Remeasurement of deferred tax for changes in tax rates	(67,271)	151
Taxation charge for the year	-	-

8 Tangible assets

	Leasehold improvements	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£
Cost				
At 1 January 2022	-	8,998	53,768	62,766
Additions	284,340	-	16,622	300,962
At 31 December 2022	284,340	8,998	70,390	363,728
Accumulated depreciation and impairment				
At 1 January 2022	-	4,567	48,727	53,294
Depreciation charged in the year	27,630	2,257	8,946	38,833
At 31 December 2022	27,630	6,824	57,673	92,127
Carrying amount				
At 31 December 2022	256,710	2,174	12,717	271,601
At 31 December 2021	-	4,431	5,041	9,472

Roberts Space Industries International Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

9 Stocks

	2022	2021
	£	£
Finished goods and goods for resale	102,363	134,695

10 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	3,309,368	-
Other debtors	2,239,840	423,853
Prepayments and accrued income	18,322	35,862
	5,567,530	459,715

Amounts due from group undertakings due within one year are unsecured, interest free and repayable on demand.

11 Creditors: amounts falling due within one year

	2022	2021
	£	as restated £
Trade creditors	65,775	85,477
Amounts owed to parent undertaking	1,163,819	6,279,847
Amounts owed to group undertakings	249,396	101,731
Taxation and social security	3,810,946	3,524,021
Other creditors	5,895,863	215,081
Accruals and deferred income	47,154	17,799
	11,232,953	10,223,956

Amounts owed to parent and group undertakings due within one year are unsecured, interest free and repayable on demand.

12 Called up share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary share of £1 each	1	1	1	1

13 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

Roberts Space Industries International Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2022**13 Related party transactions (continued)**

Roberts Space Industries Corporation	2022	2021
	£	£
Balance brought forward as at 1 January	10,659	4,888
Costs recharged in the period	(9,419,641)	(51,976)
Costs settled in the period	3,542,835	57,747
	<u> </u>	<u> </u>
Amounts due (to)/from Robert Space Industries Corporation as at 31 December	<u><u>(5,866,147)</u></u>	<u><u>10,659</u></u>
 Cloud Imperium Games, LLC	 2022	 2021
	£	£
Balance brought forward as at 1 January	-	-
Costs recharged in the period	(1,687,272)	-
Costs settled in the period	3,343,821	-
	<u> </u>	<u> </u>
Amounts due from Cloud Imperium Games, LLC as at 31 December	<u><u>1,656,549</u></u>	<u><u>-</u></u>

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

The balances owed at the year end are included within current other debtors.

The company has taken advantage of the exemption under paragraph 33.1a of FRS 102 from disclosing transactions 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.

14 Ultimate controlling party

The company's parent undertaking is Cloud Imperium UK Ltd., a company registered in England and Wales.

The ultimate controlling party is Christopher Roberts due to his majority shareholding in Cloud Imperium UK Ltd.

Roberts Space Industries International Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

15 Prior period adjustment

The Company has previously presented publishing fee income as deferred income under Creditors: amounts falling due after more than one year in each accounting year in the period 1 January 2015 to 31 December 2021. The publishing fee income should have been presented within turnover in the statement of comprehensive income.

The current year publishing fee income has been correctly classified in turnover and the prior year comparatives as at 31 December 2021 have been restated to conform with current year presentation as disclosed in Note 3.

There are changes to the statement of comprehensive income, statement of financial position and statement of changes in equity as a result of this reclassification.

Changes to the statement of financial position

	As previously reported	Adjustment at 1 Jan 2021	Adjustment at 31 Dec 2021	As restated at 31 Dec 2021
	£	£	£	£
Creditors due after one year				
Deferred income	(7,299,254)	5,553,718	1,745,536	-
Capital and reserves				
Retained earnings	-	5,553,718	1,745,536	7,299,254
Total equity	1	5,553,718	1,745,536	7,299,255

Changes to the statement of changes in equity

	As previously reported	Adjustment at 1 Jan 2021	Adjustment at 31 Dec 2021	As restated at 31 Dec 2021
	£	£	£	£
Retained earnings	-	5,553,717	1,745,537	7,299,254

The aggregate amount of publishing fees chargeable to the Company's parent entity, Cloud Imperium UK Limited, that have not being recognised in statement of comprehensive income in the period from 1 January 2015 to 31 December 2020 is £5,553,717.

Changes to the income statement

	As previously reported	Adjustment	As restated Year ending 31 Dec 2021
	£	£	£
Period ended 31 December 2021			
Turnover	36,394,478	1,745,536	38,140,014
Profit for the financial period	-	1,745,536	1,745,536

We have identified errors relating to publishing fees chargeable to the Company's parent entity, Cloud Imperium UK Limited, that have not been recognised in statement of comprehensive income in each accounting year in the period from 1 January 2015 to 31 December 2021. The total impact of this error is to increase turnover by £1,745,536 in the year ended 31 December 2021.