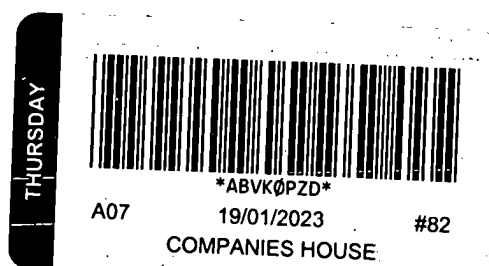


Registration number: 10036119 (England and Wales)

# Battlestate Games Limited

Annual Report and Financial Statements

for the Year Ended 31 January 2022



# **Battlestate Games Limited**

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# **Battlestate Games Limited**

## **Company Information**

### **Director**

Ms Ludmila Lipskaya

### **Registered office**

WeWork Aviation House  
125 Kingsway  
London  
WC2B 6NH

### **Auditors**

Alpha Accountants (London) Limited  
585A Fulham Road  
Fulham  
London  
SW6 5UA

# **Battlestate Games Limited**

## **Strategic Report for the Year Ended 31 January 2022**

The director presents her strategic report for the year ended 31 January 2022.

### **Principal activity**

The principal activity of the company is that of gaming software sales.

### **Fair review of the business**

No significant changes are anticipated in the activities of the company for the foreseeable future.

The company's most widely known brand is Escape from Tarkov, a multiplayer online first-person action game. The audience of Escape from Tarkov has increased by 87.3 percent.

The company is investing appropriate resources in continued development of the titles that it sells. The development costs are part of the operating expenses of the company and aimed at generating income in the future.

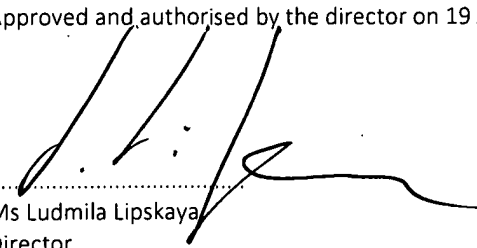
### **Principal risks and uncertainties**

The company has established controls to mitigate the following risks appropriate to the size and complexity of the business.

Cash flow risks: The company has established cash forecasting models to manage cash flow.

There may be additional risks and uncertainties not currently known or that are not currently believed to be material.

Approved and authorised by the director on 19 January 2023



.....  
Ms Ludmila Lipskaya  
Director

# **Battlestate Games Limited**

## **Director's Report for the Year Ended 31 January 2022**

The director presents her report and the financial statements for the year ended 31 January 2022.

### **Director of the company**

The director who held office during the year was as follows:

Ms Ludmila Lipskaya

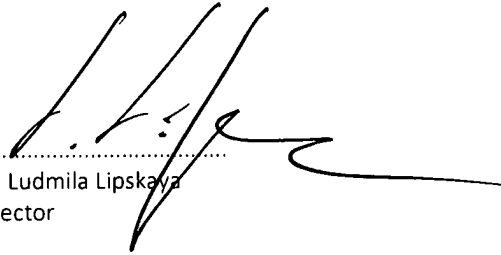
### **Disclosure of information to the auditors**

The director has taken steps that she ought to have taken as a director in order to make herself aware of any relevant audit information and to establish that the company's auditors are aware of that information. The director confirms that there is no relevant information that she knows of and of which she knows the auditors are unaware.

- The director acknowledges her responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved and authorised by the director on 19 January 2023

.....  
Ms Ludmila Lipskaya  
Director

A handwritten signature in black ink, consisting of several fluid, overlapping strokes, positioned over the printed name and title of the director.

## **Battlestate Games Limited**

### **Statement of Director's Responsibilities**

The director acknowledges her responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless she is 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 director is required to:

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

The director is 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 her to ensure that the financial statements comply with the Companies Act 2006. She is 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.

# **Battlestate Games Limited**

## **Independent Auditor's Report to the Members of Battlestate Games Limited**

### **Opinion**

We have audited the financial statements of Battlestate Games Limited (the 'company') for the year ended 31 January 2022, which comprise the Profit and Loss Account, Statement of Retained Earnings, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2022 and of its loss 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.

### **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 responsibilities for the audit of the financial statements section of our report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the director's 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 original financial statements were authorised for issue.

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

## **Battlestate Games Limited**

### **Independent Auditor's Report to the Members of Battlestate Games Limited**

#### **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.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.



## **Battlestate Games Limited**

### **Independent Auditor's Report to the Members of Battlestate Games Limited**

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Director's Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our 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 and the Director's Report.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of the director**

As explained more fully in the Statement of Director's Responsibilities [set out on page 4], the director is 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 director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

## **Battlestate Games Limited**

### **Independent Auditor's Report to the Members of Battlestate Games Limited**

Irregularities are instances or non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities including any known actual, suspected or alleged instances of fraud.
- discussed matters about non-compliance with laws and, regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102 and compliance with the Companies Act 2006 and Tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included, reviewing financial statement disclosures, inspecting correspondence with local tax authorities, and evaluating advice received from internal/external tax advisors.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing the appropriateness of journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and entered outside the normal course of business, and testing the recognition of a sample of revenue items with reference to the relevant supporting documentation.

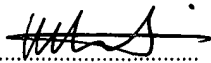
A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Battlestate Games Limited**

### **Independent Auditor's Report to the Members of Battlestate Games Limited**

#### **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.



Haralambos Hambi (Senior Statutory Auditor)

For and on behalf of Alpha Accountants (London) Limited, Statutory Auditor

585A Fulham Road  
Fulham  
London  
SW6 5UA

19 January 2023

## Battlestate Games Limited

### Profit and Loss Account for the Year Ended 31 January 2022

	Note	2022 £	2021 £
Turnover		70,335,950	91,162,025
Cost of sales		<u>(70,337,304)</u>	<u>(89,899,440)</u>
Gross (loss)/profit		(1,354)	1,262,585
Exceptional costs		(291,306)	-
Administrative expenses		<u>(289,251)</u>	<u>(296,321)</u>
Operating (loss)/profit		<u>(581,911)</u>	<u>966,264</u>
Other interest receivable and similar income		188	-
Amounts written off investments		(3,376)	-
Interest payable and similar expenses	3	<u>(301,560)</u>	<u>(27,719)</u>
		<u>(304,748)</u>	<u>(27,719)</u>
(Loss)/profit before tax		(886,659)	938,545
Tax on (loss)/profit		<u>167,864</u>	<u>(179,125)</u>
(Loss)/profit for the financial year		<u>(718,795)</u>	<u>759,420</u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

## Battlestate Games Limited

### Statement of Comprehensive Income for the Year Ended 31 January 2022

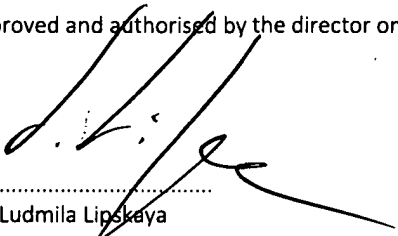
	2022 £	2021 £
(Loss)/profit for the year	<u>(718,795)</u>	<u>759,420</u>
Total comprehensive income for the year	<u>(718,795)</u>	<u>759,420</u>

## Battlestate Games Limited

### Balance Sheet as at 31 January 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	5	9,492	12,656
Other financial assets	6	353,903	-
		<u>363,395</u>	<u>12,656</u>
<b>Current assets</b>			
Debtors	7	10,408,807	13,462,021
Cash at bank and in hand		907,355	4,675,897
		<u>11,316,162</u>	<u>18,137,918</u>
<b>Creditors: Amounts falling due within one year</b>	8	<u>(10,632,367)</u>	<u>(16,384,589)</u>
<b>Net current assets</b>		<u>683,795</u>	<u>1,753,329</u>
<b>Net assets</b>		<u>1,047,190</u>	<u>1,765,985</u>
<b>Capital and reserves</b>			
Called up share capital		100	100
Retained earnings		<u>1,047,090</u>	<u>1,765,885</u>
<b>Shareholders' funds</b>		<u>1,047,190</u>	<u>1,765,985</u>

Approved and authorised by the director on 19 January 2023

  
 .....  
 Ms Ludmila Lipskaya  
 Director

## Battlestate Games Limited

### Statement of Changes in Equity for the Year Ended 31 January 2022

	Share capital £	Retained earnings £	Total £
At 1 February 2021	100	1,765,885	1,765,985
Loss for the year	-	(718,795)	(718,795)
At 31 January 2022	100	1,047,090	1,047,190
	Share capital £	Retained earnings £	Total £
At 1 February 2020	100	1,006,465	1,006,565
Profit for the year	-	759,420	759,420
At 31 January 2021	100	1,765,885	1,765,985

## Battlestate Games Limited

### Statement of Cash Flows for the Year Ended 31 January 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
(Loss)/profit for the year		(718,795)	759,420
Adjustments to cash flows from non-cash items			
Depreciation and amortisation		3,164	4,219
Finance income		(188)	-
Finance costs	3	3,376	-
Income tax expense		(167,864)	179,125
		(880,307)	942,764
Working capital adjustments			
Decrease in trade debtors	7	3,221,078	4,520,589
Decrease in trade creditors	8	(5,573,097)	(5,239,488)
Cash generated from operations		(3,232,326)	223,865
Income taxes paid		(179,125)	(54,237)
Net cash flow from operating activities		(3,411,451)	169,628
<b>Cash flows from investing activities</b>			
Interest received		188	-
Cash receipts from repayment of loans, classified as investing activities		(357,279)	-
Net cash flows from investing activities		(357,091)	-
Net (decrease)/increase in cash and cash equivalents		(3,768,542)	169,628
Cash and cash equivalents at 1 February		4,675,897	4,506,269
Cash and cash equivalents at 31 January		907,355	4,675,897



# **Battlestate Games Limited**

## **Notes to the Financial Statements for the Year Ended 31 January 2022**

### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:  
WeWork Aviation House  
125 Kingsway  
London  
WC2B 6NH  
United Kingdom

These financial statements were authorised for issue by the director on 19 January 2023.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

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.

#### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:  
The amount of revenue can be reliably measured;  
it is probable that future economic benefits will flow to the entity;  
and specific criteria have been met for each of the company's activities.

# Battlestate Games Limited

## Notes to the Financial Statements for the Year Ended 31 January 2022

### Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

### Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are 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 the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Domain Name	25% reducing balance method

### Cash and cash equivalents

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

# Battlestate Games Limited

## Notes to the Financial Statements for the Year Ended 31 January 2022

### Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

### Trade creditors

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 the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

### Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

### Exceptional cost

Funds at ABLV bank which went into Liquidation in 2018 were transferred to Bank of Austria in December 2021. The outstanding balance of €3,931,833 was not adjusted for exchange fluctuations in the previous years because of its uncertainty of recoverability. The loss of £291,306 is now shown as exceptional loss for the year.

### 3 Interest payable and similar expenses

	2022	2021
	£	£
Foreign exchange gains	301,560	27,719

### 4 Staff costs

The average number of persons employed by the company (including the director) during the year, analysed by category was as follows:

## Battlestate Games Limited

### Notes to the Financial Statements for the Year Ended 31 January 2022

	2022 No.	2021 No.
Administration and support	1	1
	1	1

# Battlestate Games Limited

## Notes to the Financial Statements for the Year Ended 31 January 2022

### 5 Intangible assets

	Other intangible assets £	Total £
<b>Cost or valuation</b>		
At 1 February 2021	30,000	30,000
At 31 January 2022	30,000	30,000
<b>Amortisation</b>		
At 1 February 2021	17,344	17,344
Amortisation charge	3,164	3,164
At 31 January 2022	20,508	20,508
<b>Carrying amount</b>		
At 31 January 2022	9,492	9,492
At 31 January 2021	12,656	12,656

### 6 Other financial assets (current and non-current)

	Financial assets at fair value through profit and loss £	Total £
<b>Non-current financial assets</b>		
<b>Cost or valuation</b>		
Fair value adjustments	(3,376)	(3,376)
Additions	357,279	357,279
At 31 January 2022	353,903	353,903
<b>Impairment</b>		
<b>Carrying amount</b>		
At 31 January 2022	353,903	353,903

## Battlestate Games Limited

### Notes to the Financial Statements for the Year Ended 31 January 2022

#### 7 Debtors

		2022	2021
Current	Note	£	£
Trade debtors		10,167,925	13,429,743
Other debtors		7,086	12,563
Prepayments		65,932	19,715
Deferred tax assets		167,864	-
		<u>10,408,807</u>	<u>13,462,021</u>

#### 8 Creditors

		2022	2021
	Note	£	£
<b>Due within one year</b>			
trade creditors		10,593,546	16,185,385
Amounts due to related parties	10	19,116	2,361
Social security and other taxes		1,205	2,718
Accruals		18,500	15,000
Taxation		-	179,125
		<u>10,632,367</u>	<u>16,384,589</u>

#### 9 Share capital

##### Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary share capital of £1 each	100	100	100	100

## **Battlestate Games Limited**

### **Notes to the Financial Statements for the Year Ended 31 January 2022**

#### **10 Related party transactions**

Amounts due to related parties:

Included within trade creditors are the following related party balances at year end:

Related persons being persons considered to have significant influence over the entity.

Dmitriy Loskutov is owed £3,433,707 (2021 - £5,336,550 Cr) by the entity for the services rendered.

Nikita Buianov is owed £3,433,707 (2021 - £5,336,550 Cr) by the entity for the services rendered.

Included in other creditors is the amount of £19,116 (2021: £2,361) which is due to the director of the company.