

Company registration number 10717040 (England and Wales)

INNOV8 GAMING LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
PAGES FOR FILING WITH REGISTRAR

INNOV8 GAMING LIMITED

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INNOV8 GAMING LIMITED

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF INNOV8 GAMING LIMITED FOR THE YEAR ENDED 31 MARCH 2022

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Innov8 Gaming Limited for the year ended 31 March 2022 which comprise, the balance sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation>

This report is made solely to the Board of Directors of Innov8 Gaming Limited, as a body, in accordance with the terms of our engagement letter dated 17 September 2020. Our work has been undertaken solely to prepare for your approval the financial statements of Innov8 Gaming Limited and state those matters that we have agreed to state to the Board of Directors of Innov8 Gaming Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Innov8 Gaming Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Innov8 Gaming Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Innov8 Gaming Limited. You consider that Innov8 Gaming Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Innov8 Gaming Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Malcolm Piper & Company Limited

1 December 2022

Chartered Accountants

Kingsnorth House
Blenheim Way
Birmingham
West Midlands
United Kingdom
B44 8LS

INNOV8 GAMING LIMITED

BALANCE SHEET

AS AT 31 MARCH 2022

		2022	2021
	Notes	£	£
Fixed assets			
Intangible assets	4	1,538,793	1,386,575
Tangible assets	5	32,850	23,417
		<u>1,571,643</u>	<u>1,409,992</u>
Current assets			
Stocks		1,052,940	374,651
Debtors	6	1,590,237	746,737
Cash at bank and in hand		531,472	829,336
		<u>3,174,649</u>	<u>1,950,724</u>
Creditors: amounts falling due within one year	7	<u>(1,798,883)</u>	<u>(778,230)</u>
Net current assets		<u>1,375,766</u>	<u>1,172,494</u>
Total assets less current liabilities		<u>2,947,409</u>	<u>2,582,486</u>
Creditors: amounts falling due after more than one year	8	<u>(785,882)</u>	<u>(913,018)</u>
Net assets		<u>2,161,527</u>	<u>1,669,468</u>
Capital and reserves			
Called up share capital		101	101
Share premium account		2,234,999	2,234,999
Profit and loss reserves	10	(73,573)	(565,632)
Total equity		<u>2,161,527</u>	<u>1,669,468</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 March 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

INNOV8 GAMING LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2022

The financial statements were approved by the board of directors and authorised for issue on 1 December 2022 and are signed on its behalf by:

Mr A W Harris
Director

Company Registration No. 10717040

INNOV8 GAMING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Innov8 Gaming Limited is a private company limited by shares incorporated in England and Wales. The registered office is Tricorn House Studio Botanical, Hagley Road, Birmingham, West Midlands. England, B16 8TU.

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. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Former group undertakings have signed contractual extended payment terms agreed with the company.

The directors have considered the current trading activities of the company and its cash flow for the next 12 months from the date of this report and are satisfied that the company's products and services being those either already released and commercialised or those new products under current varying stages of development, are proving to be and will ultimately prove to be , in the case of development products. successful and cash generative.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

INNOV8 GAMING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.4 Research and development expenditure

Expenditure on research and development activities not related to the internal generation of intangible assets is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from the company's software and infrastructure development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

1. the technical feasibility of completing the intangible asset so that it will be available for use or sale;
2. the intention to complete the intangible asset and use or sell it;
3. the ability to use or sell the intangible assets;
4. how the intangible assets will generate probable future economic benefits;
5. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
6. the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognised criteria listed above. Where no internally-generated intangible assets can be recognised, development expenditure is recognised in the profit and loss account in the period in which it is incurred. Subsequent to initial recognition, internally generated intangible assets are accounted at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are separately acquired.

Residual value is calculated on prices prevailing at the date of acquisition or revaluation. Useful lives and residual values are reviewed at the end of every reporting period.

Assets under development relate to the capitalised development costs of the video system and games being developed. This software is not amortised until the development is launched.

- 1.5 Intangible fixed assets other than goodwill**
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:

Software	20% per annum
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1.6 Tangible fixed assets

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

Depreciation 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:

Leasehold improvements	20% on cost
Plant and equipment	20% on cost
Fixtures and fittings	20% on cost
Computers	20% on cost
Motor vehicles	20% on cost

Freehold land and assets in the course of construction are not depreciated.

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.

INNOV8 GAMING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

1.8 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 profit and loss account 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.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

1.10 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

INNOV8 GAMING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

2 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.

3 Employees

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

	2022 Number	2021 Number
Total	21	16

4 Intangible fixed assets

	Other £
Cost	
At 1 April 2021	1,663,838
Additions	574,146
At 31 March 2022	2,237,984
Amortisation and impairment	
At 1 April 2021	277,263
Amortisation charged for the year	421,928
At 31 March 2022	699,191
Carrying amount	
At 31 March 2022	1,538,793
At 31 March 2021	1,386,575

INNOV8 GAMING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

5 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 April 2021	-	54,056	54,056
Additions	13,253	9,202	22,455
At 31 March 2022	13,253	63,258	76,511
Depreciation and impairment			
At 1 April 2021	-	30,639	30,639
Depreciation charged in the year	2,651	10,371	13,022
At 31 March 2022	2,651	41,010	43,661
Carrying amount			
At 31 March 2022	10,602	22,248	32,850
At 31 March 2021	-	23,417	23,417

6 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	1,386,911	520,346
Corporation tax recoverable	-	79,644
Other debtors	203,326	146,747
	1,590,237	746,737

7 Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans	80,000	5,000
Trade creditors	714,894	52,603
Taxation and social security	341,195	120,113
Other creditors	662,794	600,514
	1,798,883	778,230

INNOV8 GAMING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans and overdrafts	160,735	45,000
Other creditors	625,147	868,018
	<u>785,882</u>	<u>913,018</u>

9 Loans and overdrafts

	2022	2021
	£	£
Bank loans	240,735	50,000
	<u>240,735</u>	<u>50,000</u>
Payable within one year	80,000	5,000
Payable after one year	160,735	45,000
	<u>240,735</u>	<u>50,000</u>

Bank loans include a loan of £45,000 (2021: £50,000) which is underwritten by the HM Government under the Bounce Back Loan Scheme and another loan of £195,735 (2021: £nil) which is underwritten by the HM Government under the Recovery Loan Scheme.

10 Profit and loss reserves

	2022	2021
	£	£
At the beginning of the year	(565,632)	(613,662)
Profit for the year	492,059	48,030
	<u>(73,573)</u>	<u>(565,632)</u>

11 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2022	2021
	£	£
	210,000	88,998
	<u>210,000</u>	<u>88,998</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.