

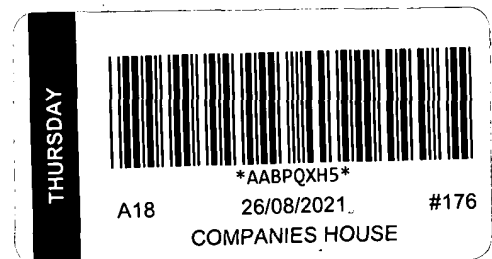
Crit Damage Limited

Directors' Report and Financial Statements

9 Month Period Ended

31 December 2020

Company Number 12534508



Crit Damage Limited

Company Information

Directors	R Jolly G R Jenkins B J Hopkinson C Tak Ho Eddie
Company secretary	M Fazal
Registered number	12534508
Registered office	Royal Court 81 Tweedy Road Bromley Kent BR1 1RG
Independent auditor	BDO LLP 31 Chertsey Street Guildford Surrey GU1 4HD

Crit Damage Limited

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Crit Damage Limited

Directors' Report For the period ended 31 December 2020

The Directors present their report and the financial statements for the period from incorporation on 25 March 2020 to 31 December 2020.

Principal activity

The principal activity the Company intends to carry out is software publishing and on occasion, the Company may undertake video game development work for fellow group companies where there are sufficient commercial drivers to do so. As at the Statement of financial position date, no games had been assigned to this company.

Directors

The Directors who served during the period were:

R Jolly (appointed 25 March 2020)
G R Jenkins (appointed 25 March 2020)
B J Hopkinson (appointed 25 March 2020)

The following Directors were appointed after the period end:

C Tak Ho Eddie (appointed 16 February 2021)

Going concern

The Company intends to trade closely and operate a funding arrangement with fellow group company, Splash Damage Limited. The purpose is to ensure working capital demands are met within the Group's facility. The Company has not yet commenced development of a game, and has minimal expenditure in the period, resulting in a net liability position at period end of £7,793. Within net current liabilities is an amount due to Splash Damage Limited ('Splash') of £29. Splash has provided a letter of support to the Company confirming it will provide financial support to Crit Damage Limited in order for the company to be able to continue trading and meet its debts as they fall due for a period of at least 12 months from the date of signing this report or until such time as sufficient funds are available.

The Directors have performed an assessment of going concern, giving due consideration to the Company's historical and current trading, together with its forward looking projections. These projections include a cash flow forecast for a period of 12 months from the date of approval of these financial statements. Those cash flow forecasts show that the Company is able to continue to operate within the existing facilities available and without further funding being required, beyond that from Splash in its role as the UK Group financier for the period of the forecasts.

Based on the above, the Directors consider that the Company will be a going concern for a period of at least 12 months from the date of approval of these financial statements and have therefore prepared the financial statements on a going concern basis. Whilst the Directors have every reason to believe that this support extended by Splash will be forthcoming, they recognise that the letter of support does not represent a legally binding contract which therefore indicates that a material uncertainty exists which may cast significant doubt over the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Change in ownership

On the 23rd of December 2020, Leyou Technologies Holdings Limited was acquired by Tencent Holdings. Tencent is a Chinese multinational technology conglomerate specialising in gaming. Its subsidiaries globally market various Internet-related services and products, including in entertainment, artificial intelligence, and other technology.

Crit Damage Limited

Directors' Report (continued) For the period ended 31 December 2020

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

BDO LLP were appointed as auditor during the period and have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 23 June 2021

and signed on its behalf.



R Jolly
Director

Crit Damage Limited

Directors' Responsibilities Statement For the period ended 31 December 2020

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

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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 keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Crit Damage Limited

Independent Auditor's Report to the Members of Crit Damage Limited

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Crit Damage Limited ("the Company") for the 9 month period ended 31 December 2020 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity 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 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We 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.

Material uncertainty related to going concern

We draw attention to note 2.3, which indicates the Directors' considerations over going concern, in particular that the Company is reliant on additional financial support from a fellow subsidiary undertaking, Splash Damage Limited, which is not legally binding. As stated in note 2.3, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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

Crit Damage Limited

Independent Auditor's Report to the Members of Crit Damage Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Financial Statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

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

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.

Crit Damage Limited

Independent Auditor's Report to the Members of Crit Damage Limited (continued)

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

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:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (UK GAAP, the Companies Act 2006), Corporation Tax legislation and VAT legislation. We understood how Crit Damage Limited is complying with those legal and regulatory frameworks by making enquiries to management and corroborated these enquiries through our review of submitted returns, board minutes, and correspondence with regulatory bodies.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by discussing with management to understand where it is considered there was a susceptibility of fraud. We considered the internal control environment and how management oversees the implementation of controls. In areas of the financial statements where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing a sample of journal entries and considering the reasonableness of assumptions and methods applied in areas of the financial statements subject to a high degree of estimation uncertainty. These procedures were designed to provide reasonable assurance that the financial statements were free of fraud or error.

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

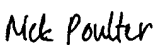
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Crit Damage Limited

Independent Auditor's Report to the Members of Crit Damage Limited (continued)

Use of our report

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

DocuSigned by:

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Nick Poulter (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Guildford
United Kingdom

Date: 25 June 2021

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

Crit Damage Limited

Statement of Comprehensive Income For the period ended 31 December 2020

		9 months ended 31 December 2020 £
	Note	
Administrative expenses		(7,794)
Operating loss		(7,794)
Tax on loss	6	-
Loss for the financial period		(7,794)

There was no other comprehensive income for 2020.

The notes on pages 11 to 17 form part of these financial statements.

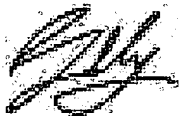
Crit Damage Limited
Registered number: 12534508

Statement of Financial Position
As at 31 December 2020

	Note	2020 £	2020 £
Current assets			
Debtors: amounts falling due within one year	7	7	
		<u>7</u>	
Creditors: amounts falling due within one year	8	(7,800)	
Net current liabilities			<u>(7,793)</u>
Total assets less current liabilities			<u>(7,793)</u>
Net liabilities			<u>(7,793)</u>
Capital and reserves			
Called up share capital	9		1
Profit and loss account	10		(7,794)
Total equity			<u>(7,793)</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
23 June 2021



R Jolly
Director

The notes on pages 11 to 17 form part of these financial statements.

Crit Damage Limited

Statement of Changes in Equity For the period ended 31 December 2020

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 25 March 2020	-	-	-
Comprehensive loss for the period			
Loss for the period	-	(7,794)	(7,794)
Total comprehensive loss for the period	-	(7,794)	(7,794)
Contributions by and distributions to owners			
Shares issued during the period	1	-	1
Total transactions with owners	1	-	1
At 31 December 2020	1	(7,794)	(7,793)

The notes on pages 11 to 17 form part of these financial statements.

Crit Damage Limited

Notes to the financial statements For the period ended 31 December 2020

1. General information

Crit Damage Limited is a private company limited by shares incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company information page. The nature of the Company's operations and its principal activities are set out in the Directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

Crit Damage Limited

Notes to the financial statements For the period ended 31 December 2020

2. Accounting policies (continued)

2.3 Going concern

The Company intends to trade closely and operate a funding arrangement with fellow group company, Splash Damage Limited. The purpose is to ensure working capital demands are met within the Group's facility. The Company has not yet commenced development of a game, and has minimal expenditure in the period, resulting in a net liability position at period end of £7,793. Within net current liabilities is an amount due to Splash Damage Limited ('Splash') of £29. Splash has provided a letter of support to the Company confirming it will provide financial support to Crit Damage Limited in order for the company to be able to continue trading and meet its debts as they fall due for a period of at least 12 months from the date of signing this report or until such time as sufficient funds are available.

The Directors have performed an assessment of going concern, giving due consideration to the Company's historical and current trading, together with its forward looking projections. These projections include a cash flow forecast for a period of 12 months from the date of approval of these financial statements. Those cash flow forecasts show that the Company is able to continue to operate within the existing facilities available and without further funding being required, beyond that from Splash in its role as the UK Group financier for the period of the forecasts.

Based on the above, the Directors consider that the Company will be a going concern for a period of at least 12 months from the date of approval of these financial statements and have therefore prepared the financial statements on a going concern basis. Whilst the Directors have every reason to believe that this support extended by Splash will be forthcoming, they recognise that the letter of support does not represent a legally binding contract which therefore indicates that a material uncertainty exists which may cast significant doubt over the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

2.4 Adoption of new and revised standards

New standards, interpretations and amendments effective from 1 January 2020

There were a number of narrow scope amendments to existing standards which were effective from 1 January 2020. None of these had a material impact on the Company.

2.5 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial liabilities

The Company classifies all of its financial liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost including trade creditors and amounts owed to group undertakings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of financial position.

Crit Damage Limited

Notes to the financial statements For the period ended 31 December 2020

2. Accounting policies (continued)

2.6 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.7 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

2.8 Current and deferred taxation

The tax expense for the period comprises current. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 income.

In assessing any uncertainty over income tax treatments, the Company considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by the Company in its income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these financial statements, the Directors have not had to make any judgements.

Crit Damage Limited

Notes to the financial statements For the period ended 31 December 2020

4. Auditor's remuneration

The Company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

	9 months ended 31 December 2020 £
Fees for the audit of the Company	4,000
Fees for non-audit services	3,771
	<hr/>
	7,771
	<hr/>

5. Employees

The Company has no employees other than the Directors, who did not receive any remuneration.

6. Taxation

	9 months ended 31 December 2020 £
Corporation tax	
Current tax on losses for the period	-
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Taxation on loss on ordinary activities	-
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Crit Damage Limited

Notes to the financial statements For the period ended 31 December 2020

6. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 19.00%. The differences are explained below:

	9 months ended 31 December 2020 £
Loss on ordinary activities before tax	(7,794)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00%	(1,481)
Effects of:	
Deferred tax not recognised	1,481
Total tax charge for the period	-

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

The Company has taxable losses of £7,794 which are to be carried forward and used against trading profits in future years.

Given the Company incurred losses up to the period end, the Directors consider there to be an element of uncertainty as to whether future revenue will exceed costs to generate sufficient, recurring profits. Accordingly, the Directors have concluded that it is not appropriate to recognise the related deferred tax asset.

A change in the main UK corporation tax rate was announced in the budget on 3 March 2021, was substantively enacted on 24 May 2021 and therefore its effects are not included in these financial statements. From 1 April 2023 the main corporation tax rate will increase from 19% to 25% on profits over £250,000. The rate for small profits under £50,000 will remain at 19%. Where the Company's profits fall between £50,000 and £250,000, the lower and upper limits, it will be able to claim an amount of marginal relief providing a gradual increase in the corporation tax rate. This will increase the Company's future tax charge accordingly. This will increase the Company's tax losses carried forward for the period.

Crit Damage Limited

Notes to the financial statements For the period ended 31 December 2020

7. Debtors

	2020 £
Amounts owed by group undertakings	1
Other debtors	6
	<u>7</u>

8. Creditors: Amounts falling due within one year

	2020 £
Amounts owed to group undertakings	29
Accruals and deferred income	7,771
	<u>7,800</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

9. Share capital

	2020 £
Allotted, called up and fully paid	
1 Ordinary share of £1	<u>1</u>

On incorporation, the Company issued 1 ordinary share of £1 at par.

10. Reserves

The Company has the following reserve:

Profit and loss account

The profit and loss account represents cumulative profits and losses net of dividends paid and other adjustments.

11. Related party transactions

The Company has taken advantage of the exemption conferred by FRS 101 section 8(k) not to disclose transactions with Tencent Holdings Limited or other wholly owned subsidiaries within the Group.

There have been no transactions with other related parties.

Crit Damage Limited

Notes to the financial statements For the period ended 31 December 2020

12. Controlling party

The Company's immediate parent undertaking is Splash Damage Group Limited (formerly Radius Maxima Limited), a company incorporated in England and Wales.

The Company's ultimate parent undertaking of the smallest and largest group for which consolidated accounts are prepared is Tencent Holdings Limited, a company incorporated in the Cayman Islands and listed on the Hong Kong Stock Exchange. These consolidated financial statements are available from www.tencent.com.

On the 23rd of December 2020, Leyou Technologies Holdings (previously the Company's ultimate parent undertaking) was acquired by Tencent Holdings Limited. Tencent Holdings Limited is a Chinese multinational technology conglomerate specialising in gaming. Its subsidiaries globally market various Internet-related services and products, including in entertainment, artificial intelligence, and other technology.

In the opinion of the Directors, Tencent Holdings Limited is the Company's ultimate parent company and there is no ultimate controlling party.