

Draft Financial Statements at 29 September 2022 at 10:11:08

Limited Liability Partnership registration number OC314073 (England and Wales)

INGENIOUS GAMES LLP
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022



INGENIOUS GAMES LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

Designated members	Hastings Games 1 Limited Hastings Games 2 Limited
LLP registration number	OC314073
Registered office	15 Golden Square London United Kingdom W1F 9JG
Accountants	FLB Accountants LLP 250 Wharfedale Road Winnersh Triangle Wokingham Berkshire RG41 5TP

INGENIOUS GAMES LLP

CONTENTS

	Page
Members' report	1 - 2
Income statement	3
Statement of financial position	4
Reconciliation of members' interests	5 - 6
Notes to the financial statements	7 - 9

INGENIOUS GAMES LLP

MEMBERS' REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2022

The members present their annual report and financial statements for the year ended 28 February 2022.

Principal activities

The Partnership was formed to conduct an integrated games development business, in which it drew on a deep pool of talent to develop quality video games. Its strategy was designed to enable it to operate in the global marketplace through a combination of scale and participation in all aspects of the games development and publishing value chain whilst at the same time adopting a conservative approach to managing risks.

The Partnership ceased its games development activities in an earlier period, and is expected to be wound up once it has received closure notices from HMRC for all open years following the conclusion to the tax litigation (see section "Fair review of the business").

Fair review of the business

On 26 July 2019 Ingenious Games LLP received the decision of the Upper Tribunal on its appeal against the decision of the First-tier Tax Tribunal (in respect of its appeals against the enquiry closure notices issued by HMRC). The Upper Tribunal concluded that the Partnership was not trading and did not have a view to profit. The finding that the Partnership did not have a view to profit meant that the Partnership (under the law as it existed in July 2019) would be taxed as a body corporate subject to corporation tax rather than as a partnership whose members are subject to tax. However, in the November 2019 budget the government announced its intention to introduce retrospective legislation to ensure that a Limited Liability Partnership continues to be taxed as a partnership where a partnership tax return was filed on the understanding that the partnership had a view to profit, even where it is subsequently found not to have had a view to profit. The retrospective legislation announced in November 2019 was enacted in Finance Act 2020 in July 2020. Therefore for years prior to 28 February 2019, where the Partnership's tax returns were filed on the basis that the Partnership had a view to profit, the Partnership will continue to be treated as a partnership whose members are subject to tax. In January 2020, January 2021 and January 2022, the Partnership filed its tax returns for the years to 28 February 2019, 2020 and 2022, respectively, in accordance with the decision of the Upper Tribunal that the Partnership did not have a view to profit, and therefore the Partnership's tax returns for the years to 28 February 2019, 2020 and 2021 do not fall within the scope of the retrospective legislation.

The Partnership was granted permission to appeal the decision of the Upper Tribunal on the issues of trading and view to profit by the Court of Appeal in February 2020 and the appeal hearing before the Court of Appeal took place in March 2021. The decision of the Court of Appeal was received on 4 August 2021. The Court of Appeal dismissed the Partnership's appeal on the issue of "trading". The Court of Appeal did not explicitly address the "view to profit" issue although its "order" dismissed the Partnership's appeal. The Partnership submitted an application to the Supreme Court of Appeal requesting permission to appeal the Court of Appeal's decision, which the Supreme Court refused.

The Supreme Court's refusal to grant the Partnership permission to appeal means that the Court of Appeal's decision is final. Accordingly, any tax impact of the Court of Appeal decision is expected to be reflected in the financial statements of the Partnership for the year to 28 February 2019 and subsequent years. However, as the Partnership has ceased its games development activities, it has had no income for those periods that would be subject to Corporation Tax.

Members' drawings, contributions and repayments

The members' drawing policy allows each member to draw a proportion of their profit share, subject to the cash requirements of the business.

A member's capital requirement is linked to their share of profit and the financing requirement of the limited liability partnership. There is no opportunity for appreciation of the capital subscribed. Just as incoming members introduce their capital at "par", so the retiring members are repaid their capital at "par".

INGENIOUS GAMES LLP

MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

Designated members

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

Hastings Games 1 Limited

Hastings Games 2 Limited

Post reporting date events

Information relating to events since the end of the year is given in the notes to the financial statements.

Statement of members' responsibilities

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

Company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) the members 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 limited liability partnership and of the profit or loss of the limited liability partnership for that period. In preparing these financial statements, the members are required to:

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

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results for the year and allocation to members

The loss for the year before members' remuneration and profit shares was £35 (2021 - £92).

Members' interests

The Designated Members are not entitled to drawings. In accordance with the Members' Agreement, drawings shall be made at the discretion of Goldwoodshire Limited ("the Operator"), the operator of the Partnership.

Members' capital is subscribed in accordance with the current Members' Agreement, and retained by the Partnership until such time as the members agree to repay that capital. There were no transfers of members' capital to debt during the year.

Small LLPs exemption

This report has been prepared in accordance with the special provisions relating to small LLPs within Part 15 of the Companies Act 2006.

Approved by the members on 21 October 2022 and signed on behalf by:



Hastings Games 1 Limited

Designated Member

INGENIOUS GAMES LLP

INCOME STATEMENT

FOR THE YEAR ENDED 28 FEBRUARY 2022

	Notes	2022 £	2021 £
Administrative expenses		(35)	(92)
Loss for the financial year before members' remuneration and profit shares available for discretionary division among members		<u>(35)</u>	<u>(92)</u>

The income statement has been prepared on the basis that all operations are continuing operations.

INGENIOUS GAMES LLP**STATEMENT OF FINANCIAL POSITION****AS AT 28 FEBRUARY 2022**

	Notes	2022 £	£	2021 £	£
Current assets					
Debtors	5	10,003		35,002	
Cash at bank and in hand		31,099		6,138	
		<u>41,102</u>		<u>41,140</u>	
Creditors: amounts falling due within one year	6	<u>(41,102)</u>		<u>(41,140)</u>	
Net current assets and net assets attributable to members			-		-
Represented by:					
Members' other interests					
Members' capital classified as equity		28,917,199		28,917,199	
Other reserves classified as equity		<u>(28,917,199)</u>		<u>(28,917,199)</u>	
			-		-

For the financial year ended 28 February 2022 the limited liability partnership was entitled to exemption from audit under section 477 of the Companies Act 2006 (as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) relating to small limited liability partnerships.

The members acknowledge their responsibilities for complying with the requirements of the Act (as applied to limited liability partnerships) with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the provisions applicable to limited liability partnerships subject to the small limited liability partnerships regime.

The financial statements were approved by the members and authorised for issue on 21 October 2022 and are signed on their behalf by:

Hastings Games 1 Limited
Designated member

Limited Liability Partnership Registration No. OC314073

INGENIOUS GAMES LLP**RECONCILIATION OF MEMBERS' INTERESTS****FOR THE YEAR ENDED 28 FEBRUARY 2022***Current financial year*

	EQUITY		TOTAL
	Members' other interests		MEMBERS' INTERESTS
	Members' capital	Other reserves	Total 2022
	£	£	£
Members' interests at 1 March 2021	28,917,199	(28,917,199)	-
Loss for the financial year available for discretionary division among members	-	(35)	(35)
Members' interests after loss for the year	28,917,199	(28,917,234)	(35)
Other movements	-	35	35
Members' interests at 28 February 2022	28,917,199	(28,917,199)	-

INGENIOUS GAMES LLP**RECONCILIATION OF MEMBERS' INTERESTS (CONTINUED)****FOR THE YEAR ENDED 28 FEBRUARY 2022***Prior financial year*

	EQUITY		TOTAL
	Members' other interests		MEMBERS' INTERESTS
	Members' capital	Other reserves	Total 2021
	£	£	£
Members' interests at 1 March 2020	28,917,199	(28,917,199)	-
Loss for the financial year available for discretionary division among members	-	(92)	(92)
Members' interests after loss for the year	28,917,199	(28,917,291)	(92)
Other movements	-	92	92
Members' interests at 28 February 2021	28,917,199	(28,917,199)	-

INGENIOUS GAMES LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2022

1 Accounting policies

Limited liability partnership information

Ingenious Games LLP is a limited liability partnership incorporated in England and Wales. The registered office is 15 Golden Square, London, United Kingdom, W1F 9JG.

The limited liability partnership's principal activities are disclosed in the Members' Report.

1.1 Accounting convention

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in December 2018, together 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 limited liability partnership. 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

Now that the tax litigation has concluded (see section "Fair review of the business"), it is the intention of the designated members to wind up the Partnership once it has received closure notices from HMRC for all open years. Accordingly, the designated members have prepared the financial statements on the basis that the Partnership is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

1.3 Members' participating interests

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity.

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Undivided amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

Where there exists an asset and liability component in respect of an individual member's participation rights, they are presented on a gross basis unless the LLP has both a legally enforceable right to set off the recognised amounts, and it intends either to settle on a net basis or to settle and realise these amounts simultaneously, in which case they are presented net.

Once an unavoidable obligation has been created in favour of members through allocation of profits or other means, any undrawn profits remaining at the reporting date are shown as 'Loans and other debts due to members' to the extent they exceed debts due from a specific member.

INGENIOUS GAMES LLP**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 28 FEBRUARY 2022****1 Accounting policies****(Continued)****1.4 Cash and cash equivalents**

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

1.5 Financial instruments

The limited liability partnership 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 limited liability partnership's statement of financial position when the limited liability partnership becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 and cash and bank balances, 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.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

2 Judgements and key sources of estimation uncertainty

In the application of the limited liability partnership's accounting policies, the members 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 number of persons (excluding members) employed by the partnership during the year was:

	2022 Number	2021 Number
Total	—	—

INGENIOUS GAMES LLP**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 28 FEBRUARY 2022****4 Information in relation to members**

	2022 Number	2021 Number
Average number of members during the year	3	3

5 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Other debtors	10,003	35,002

6 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	8	-
Other creditors	41,094	41,140
	<u>41,102</u>	<u>41,140</u>

7 Loans and other debts due to members

In the event of a winding up the amounts included in "Loans and other debts due to members" will rank equally with unsecured creditors.

8 Ultimate controlling party

In the opinion of the members there is no controlling party.