

Build A Rocket Boy Games Ltd.

Annual Report and Financial Statements

Year Ended

31 December 2020

Company Number SC540010



Build A Rocket Boy Games Ltd.

Company Information

Directors	L P Benzies T M Campbell
Registered number	SC540010
Registered office	29 Constitution Street Edinburgh EH6 7BS
Independent auditors	Chiene + Tait LLP 61 Dublin Street Edinburgh EH3 6NL

Build A Rocket Boy Games Ltd.

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Build A Rocket Boy Games Ltd.

Strategic Report For the Year Ended 31 December 2020

Introduction

The Strategic report has been prepared for the year ended 31 December 2020 for Build A Rocket Boy Game Ltd. (the company).

Business review

The company is a game development studio based in Edinburgh and is involved in developing a video game project to support its parent organisation.

In 2020, the company has continued to invest in its talent pool and headcount grew from 104 to 131. Despite of the challenge of COVID-19, the company has managed to support remote working quickly under a robust security protocol and enhanced the scale of its service output to continue to progress the development of the game project. The company has maintained the high quality of its game development services and continuously endeavours to improve efficiency.

Principal risks and uncertainties

The directors of the company routinely identify, review and mitigate the principal risks faced by the company. There are inherent risks faced by the company given its first game project has still not reached its first commercial release and it provides services to the parent company as its sole client. However, the successful funding rounds from the parent company has mitigated the risks of discontinued service demand from the group.

The close relationship between the company and its parent company have also made it possible to plan the service demand and resources in more detailed manner, and to adjust accordingly based on monitoring and new forecasts. During the year, a number of critical roles have been brought in to strengthen the leadership team, so the risks associated with general business and service organisation have been well managed. The company will continue to expand its talent team and find ways to improve quality and efficiency.

Financial key performance indicators

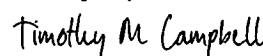
The company receives its revenue from its parent company for its game development services. As such, revenue reflects the scale of the services the company provides. We also monitor and review the profit before tax margin, so we can balance the overhead cost increases with overall business support.

Other key performance indicators

No other key performance indicators.

This report was approved by the board on 11 June 2021 and signed on its behalf.

DocuSigned by:


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T M Campbell
Director

Build A Rocket Boy Games Ltd.

Directors' Report For the Year Ended 31 December 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 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 to 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.

Principal activity

The company's principal activity for the year was that of game development.

Results and dividends

The profit for the year, after taxation, amounted to £2,857,610 (2019 - £1,765,308).

No dividends were declared for or during the financial year ended 31 December 2020 (2019 - £Nil).

Directors

The directors who served during the year were:

L P Benzies

T M Campbell (appointed 3 July 2020)

Future developments

In 2021 and the years after, the company will continue to support the game project and any new development needs of its parent company.

Research and development activities

During the year, research and development activities in relation to video game development were undertaken incurring costs of £50,131 (2019 - £74,050).

Build A Rocket Boy Games Ltd.

Directors' Report (continued) For the Year Ended 31 December 2020

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

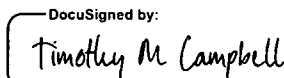
Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Chiene + Tait LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 11 June 2021 and signed on its behalf.

DocuSigned by:

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T M Campbell
Director

Build A Rocket Boy Games Ltd.

Independent Auditors' Report to the Members of Build A Rocket Boy Games Ltd. for the year ended 31 December 2020

Opinion

We have audited the financial statements of Build A Rocket Boy Games Ltd. (the 'company') for the year ended 31 December 2020 which comprise the statement of income and retained earnings, balance sheet, statement of cash flows and the related notes, 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 FRS 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 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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'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 2.2 of the financial statements which indicates that the Company is reliant on support from the parent company, Build A Rocket Boy Ltd. These events or conditions, along with other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our audit opinion is not modified in respect of the matter.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

Build A Rocket Boy Games Ltd.

Independent Auditors' Report to the Members of Build A Rocket Boy Games Ltd. for the year ended 31 December 2020 (continued)

Opinions on other matters 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 the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 strategic report or 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.

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.

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.

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 gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company which were contrary to applicable laws and regulations, including fraud. This included gaining an understanding of the control environment for monitoring compliance with laws and regulations. Our audit procedures were designed to respond to risks of material misstatement in the financial statements; and
- We obtained evidence of compliance with the relevant laws and regulations; and
- Undertaken procedures to identify any irregularities or fraud through the posting of manual adjustments; and
- Performed analytical procedures to identify any movements which may indicate irregularities; and

Build A Rocket Boy Games Ltd.

Independent Auditors' Report to the Members of Build A Rocket Boy Games Ltd. for the year ended 31 December 2020 (continued)

- Reviewed accounting policies and the application of these policies to ensure compliance with the standard and consistency of application.

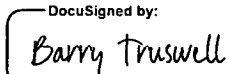
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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.

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Barry Truswell (Senior Statutory Auditor)

For and on behalf of Chiene + Tait LLP, Chartered Accountants & Statutory Auditor

61 Dublin Street

Edinburgh

EH3 6NL

11 June 2021

Build A Rocket Boy Games Ltd.

Statement of Income and Retained Earnings For the Year Ended 31 December 2020

	Note	2020 £	2019 £
Turnover	4	15,673,034	10,853,572
Cost of sales		(10,220,033)	(6,618,859)
Gross profit		5,453,001	4,234,713
Administrative expenses		(1,921,921)	(2,235,747)
Operating profit	5	3,531,080	1,998,966
Interest receivable and similar income		20	45
Profit before tax		3,531,100	1,999,011
Tax on profit	10	(673,490)	(233,703)
Profit after tax		2,857,610	1,765,308
Retained earnings at the beginning of the year		1,764,775	(533)
		1,764,775	(533)
Profit for the year		2,857,610	1,765,308
Retained earnings at the end of the year		4,622,385	1,764,775

The notes on pages 12 to 22 form part of these financial statements.

Build A Rocket Boy Games Ltd.

Registered number: SC540010

**Statement of Financial Position
As at 31 December 2020**

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	773,368	251,858
		<u>773,368</u>	<u>251,858</u>
Current assets			
Debtors: amounts falling due within one year	12	8,568,755	5,108,273
Cash at bank and in hand	13	66,933	68,437
		<u>8,635,688</u>	<u>5,176,710</u>
Creditors: amounts falling due within one year	14	(4,769,877)	(3,651,755)
Net current assets		<u>3,865,811</u>	<u>1,524,955</u>
Total assets less current liabilities		<u>4,639,179</u>	<u>1,776,813</u>
Provisions for liabilities			
Deferred tax	16	(16,793)	(12,037)
		<u>(16,793)</u>	<u>(12,037)</u>
Net assets		<u><u>4,622,386</u></u>	<u><u>1,764,776</u></u>
Capital and reserves			
Called up share capital	17	1	1
Profit and loss account	18	4,622,385	1,764,775
		<u><u>4,622,386</u></u>	<u><u>1,764,776</u></u>

Build A Rocket Boy Games Ltd.
Registered number: SC540010

Statement of Financial Position (continued)
As at 31 December 2020

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 June 2021.

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T M Campbell
Director

The notes on pages 12 to 22 form part of these financial statements.

Build A Rocket Boy Games Ltd.

Statement of Cash Flows For the Year Ended 31 December 2020

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	2,857,610	1,765,308
Adjustments for:		
Depreciation of tangible assets	75,173	69,064
Interest received	(20)	(45)
Taxation charge	673,490	233,703
Decrease/(increase) in debtors	10,539	(11,462)
(Increase) in amounts owed by groups	(3,471,021)	(5,074,449)
Increase in creditors	73,750	117,636
Increase in amounts owed to groups	375,638	2,896,865
Net cash generated from operating activities	<u>595,159</u>	<u>(3,380)</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(596,683)	(59,081)
Interest received	20	45
Net cash from investing activities	<u>(596,663)</u>	<u>(59,036)</u>
Net (decrease) in cash and cash equivalents	<u>(1,504)</u>	<u>(62,416)</u>
Cash and cash equivalents at beginning of year	68,437	130,853
Cash and cash equivalents at the end of year	<u><u>66,933</u></u>	<u><u>68,437</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	66,933	68,437
	<u><u>66,933</u></u>	<u><u>68,437</u></u>

The notes on pages 12 to 22 form part of these financial statements.

Build A Rocket Boy Games Ltd.

Analysis of Net Debt For the Year Ended 31 December 2020

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	68,437	(1,504)	66,933
	<u>68,437</u>	<u>(1,504)</u>	<u>66,933</u>

The notes on pages 12 to 22 form part of these financial statements.

Build A Rocket Boy Games Ltd.

Notes to the Financial Statements For the Year Ended 31 December 2020

1. General information

Build A Rocket Boy Games Ltd. is a private company, limited by shares, and is registered and incorporated in Scotland under the Companies Act. The registered office address is provided in the company information and the company's principal activities set out in the director's report.

The financial statements are rounded to the nearest £.

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 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future.

At balance sheet date, the Company has net current assets of £3,865,811 (2019 - £1,524,955) and net assets of £4,622,386 (2019 - £1,764,776). The Company is reliant upon the support of its parent entity, Build A Rocket Boy Ltd. The parent entity has agreed not to seek repayment of their loan for a minimum period of 12 months from the date of signing these financial statements and that it will continue to financially support the Company for the foreseeable future.

On this basis, the director considers that the going concern basis continues to be appropriate and accordingly the financial statements have been prepared on a going concern basis and do not include any adjustments that would result if the creditors withdrew their financial support and if the Company was unable to continue as a going concern.

Build A Rocket Boy Games Ltd.

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Recharges of costs to the parent entity are recognised when the cost has been incurred or the service rendered.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Build A Rocket Boy Games Ltd.

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Build A Rocket Boy Games Ltd.

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- over 10 years
Office equipment	- over 10 years
Computer equipment	- over 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

2.14 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Build A Rocket Boy Games Ltd.

Notes to the Financial Statements For the Year Ended 31 December 2020

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

In preparing these financial statements, the directors have made the following judgments:

Tangible fixed assets are depreciated over their useful lives taking into account residual value where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Assets are considered for indications of impairment. If required an impairment review will be carried out and a decision made on possible impairment. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

4. Turnover

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Research & development charged as an expense	50,131	74,050
Exchange differences	(1)	213
Other operating lease rentals	208,067	126,200
Depreciation	<u>75,173</u>	<u>69,064</u>

6. Auditors' remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements was £7,000 (2019 - £Nil), these fees were paid by the ultimate parent undertaking, Build A Rocket Boy Ltd.

Build A Rocket Boy Games Ltd.

Notes to the Financial Statements For the Year Ended 31 December 2020

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	5,236,299	3,590,254
Social security costs	556,388	374,902
Cost of defined contribution scheme	378,705	229,380
	<u>6,171,392</u>	<u>4,194,536</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Employees (including directors)	<u>125</u>	<u>84</u>

8. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	758,125	742,218
Company contributions to defined contribution pension schemes	25,689	24,057
	<u>783,814</u>	<u>766,275</u>

During the year retirement benefits were accruing to 1 director (2019 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £514,083 (2019 - £513,204).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2019 - £NIL).

9. Interest receivable

	2020 £	2019 £
Other interest receivable	20	45
	<u>20</u>	<u>45</u>

Build A Rocket Boy Games Ltd.

Notes to the Financial Statements For the Year Ended 31 December 2020

10. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	668,734	222,199
Total current tax	<u>668,734</u>	<u>222,199</u>
Deferred tax		
Origination and reversal of timing differences	4,756	11,504
Total deferred tax	<u>4,756</u>	<u>11,504</u>
Taxation on profit on ordinary activities	<u>673,490</u>	<u>233,703</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>3,531,100</u>	<u>1,999,011</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	670,909	379,812
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,124	5,751
Fixed asset differences	(219)	219
Deduction for R&D expenditure	-	(144,226)
Adjust closing deferred tax to average rate of 19%	1,416	(1,416)
Adjust opening deferred tax to average rate of 19%	-	62
Group relief	(740)	(6,499)
Total tax charge for the year	<u>673,490</u>	<u>233,703</u>

Factors that may affect future tax charges

There are no factors that may affect future tax charges.

Build A Rocket Boy Games Ltd.

Notes to the Financial Statements For the Year Ended 31 December 2020

11. Tangible fixed assets

	Leasehold improve- ments £	Computer equipment £	Office equipment £	Total £
Cost or valuation				
At 1 January 2020	27,577	315,915	63,725	407,217
Additions	543,625	44,776	8,282	596,683
At 31 December 2020	<u>571,202</u>	<u>360,691</u>	<u>72,007</u>	<u>1,003,900</u>
Depreciation				
At 1 January 2020	1,152	144,238	9,969	155,359
Charge for the year on owned assets	2,814	65,326	7,033	75,173
At 31 December 2020	<u>3,966</u>	<u>209,564</u>	<u>17,002</u>	<u>230,532</u>
Net book value				
At 31 December 2020	<u>567,236</u>	<u>151,127</u>	<u>55,005</u>	<u>773,368</u>
At 31 December 2019	<u>26,425</u>	<u>171,677</u>	<u>53,756</u>	<u>251,858</u>

Build A Rocket Boy Games Ltd.

Notes to the Financial Statements For the Year Ended 31 December 2020

12. Debtors

	2020 £	2019 £
Amounts owed by group undertakings	8,545,470	5,074,449
Other debtors	20,863	31,339
Prepayments and accrued income	2,422	2,485
	<u>8,568,755</u>	<u>5,108,273</u>

13. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	66,933	68,437
	<u>66,933</u>	<u>68,437</u>

14. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	61,365	7,813
Amounts owed to group undertakings	3,587,371	3,211,733
Corporation tax	890,933	222,199
Other taxation and social security	176,779	135,211
Other creditors	42,504	59,496
Accruals and deferred income	10,925	15,303
	<u>4,769,877</u>	<u>3,651,755</u>

15. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>66,933</u>	<u>68,437</u>

Financial assets measured at fair value through profit or loss comprise of cash and cash equivalents.

Build A Rocket Boy Games Ltd.

Notes to the Financial Statements For the Year Ended 31 December 2020

16. Deferred taxation

	2020 £
At beginning of year	(12,037)
Charged to profit or loss	(4,756)
At end of year	(16,793)

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(23,651)	(21,072)
Other timing differences	6,858	9,035
	(16,793)	(12,037)

17. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1 (2019 - 1) Ordinary share of £1.00	1	1

18. Reserves

Profit and loss account

Reflects the retained earnings or losses incurred by the company to date.

19. Pension commitments

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund. Contributions of £378,705 (2019 - £229,380) were made during the year. At balance sheet date, an amount of £36,093 (2019 - £53,144) was payable to the pension plan.

20. Commitments under operating leases

The Company had no commitments under non-cancellable operating leases at the reporting date.

Build A Rocket Boy Games Ltd.

Notes to the Financial Statements For the Year Ended 31 December 2020

21. Related party transactions

At balance sheet date £287 (2019 - £639 receivable) was owed to Calex Group Limited, a company wholly owned by L P Benzies. L P Benzies is the director and ultimate controlling party.

At balance sheet date £6,302 (2019 - £6,302) was owed to LPBZ Commerical Ltd, a company controlled by L P Benzies. L P Benzies is the director and ultimate controlling party.

The company incurs various costs that it recharges to the parent company, Build A Rocket Boy Ltd, and receives working capital funding for the parent throughout the year. The level of recharges this year amounted to £14,528,201 (2019 - £10,853,572). At the balance sheet date the company was owed £8,545,147 (2019 - £5,073,676) from its parent.

The company incurred recharges from a fellow subsidiary, Build A Rocket Boy Kft, amounting to £3,737,518 (2019 - £3,211,733). At the balance sheet date the company owed £3,587,371 (2019 - £3,211,733) to Build A Rocket Boy Kft.

At balance sheet date £45 (2019 - £45) was owed by LPBZ Limited, a company controlled by L P Benzies. L P Benzies is the director and ultimate controlling party.

At balance sheet date £87 (2019 - £87) was owed by VR-Chitect Ltd, a company controlled by L P Benzies. L P Benzies is the director and ultimate controlling party.

At balance sheet date £629 (2019 - £629) was owed by L P Benzies. L P Benzies is the director and ultimate controlling party.

At balance sheet date £323 (2019 - £773 payable) was owed by Build A Rocket Boy Technologies Ltd, a fellow subsidiary company.

22. Controlling party

The ultimate parent undertaking is Build A Rocket Boy Ltd, a company registered in Scotland. The ultimate controlling party is L P Benzies.