

Company Registration No. 08240765 (England and Wales)

Firesprite Limited

**Annual report and financial statements
for the year ended 31 March 2023**

TUESDAY



ADØN8GIO

A4

09/04/2024

#53

COMPANIES HOUSE

Firesprite Limited

Company information

Directors	Rebecca McCormack	(Resigned 19 September 2023)
	James Ryan	
	Lin Imaizumi	(Appointed 17 May 2023)
Company number	08240765	
Registered office	C/O Corporation Service	
	Company (Uk) Ltd	
	5 Churchill Place	
	10 th Floor	
	London	
Independent auditor	E14 5HU	
	PricewaterhouseCoopers LLP	
	1 Hardman Square	
	Spinningfields	
	Manchester	
	M3 3EB	

Firesprite Limited

Contents

	Page
Strategic report	1 - 3
Directors' report	4 - 9
Independent auditor's report	10 - 13
Income statement	14
Statement of financial position	15 - 16
Statement of changes in equity	17
Notes to the financial statements	18 - 37

22
Firesprite Limited

Strategic report
For the year ended 31 March 2023

The directors present the strategic report for the year ended 31 March 2023.

FAIR REVIEW OF THE BUSINESS

During the year, the Company's primary activity was the development of video games primarily for release on Playstation consoles.

Video games developed during the period include 'Horizon – Call of the Mountain' for PS VR, developed in conjunction with Guerrilla Games B.V. (a wholly owned subsidiary of the Sony Group) and released in February 2023, as well as further unannounced titles for release by Sony Interactive Entertainment.

The results for the financial year show a profit before tax of £1,910,334 (period ended 31 March 2022: £141,303) and at the year end had net assets of £7,837,996 (period ended 31 March 2022: £6,316,285). Turnover has increased for the year by 40% to £50,064,615 (period ended 31 March 2022: £35,841,617) due to the titles currently in development. The number of average employees increased from 219 to 274 to support the increased titles in production.

The key performance indicators used to monitor the commercial performance of the business going forward are set out below. The Company uses a combination of financial and non-financial measures to assess how successful it has been in achieving its objectives. These measures include:

1. Software launches

The Company worked on the software development of 'Horizon – Call of the Mountain', a video game for PS VR that was released in February 2023.

2. Software development

The Company worked on the software development of multiple video games yet to be announced.

3. Total cost base

As the Company develops games for commercial retail, cost control is of significant importance to the Company. The total operating cost base for the year ended 31 March 2023 was £48,305,724, as shown in the income statement (2022: £35,553,150). The Sony Group manages its business and manages the delivery of its strategic objective through the application of KPI's at a business group level.

FUTURE DEVELOPMENTS

The directors do not expect any significant change to the current strategy and objectives of the Company. The Company will continue to work on high quality video games for the PlayStation platforms on behalf of other group companies.

SECTION 172(1) STATEMENT

We have considered the Companies (Miscellaneous Reporting) Regulations 2018 and recognise that the Company is required to include a statement within its Strategic Report describing how the board of directors

22
Firesprite Limited

Strategic report
For the year ended 31 March 2023

(the “Board”) have had regard to the matters set out in s.172(1)(a) to (f) when performing their duty under s.172.

This statement is set out below and can also be found on the Company website: <https://www.playstation.com/en-gb/>.

Reference	Requirement	Board Engagement
172(1)		The directors of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:
(a)	The likely consequences of any decision in the long term	<p>The Board considers how the consequences of any decision in the long term will impact the Company’s key stakeholders, being its shareholders and other Sony Interactive Entertainment group companies (the “SIE Group”).</p> <p>SIE Group’s business operates at a broad scale and in multiple jurisdictions, therefore strategic direction and decision-making are taken with a view as to how they will impact the SIE Group as a whole.</p>
(b)	The interests of the Company’s employees	<p>Employees are regularly engaged throughout the year on principal decisions affecting their employment and workplace and have appropriate opportunities to provide feedback on the impact of these decisions via the annual employee survey. This engagement occurs regularly via e-mail, surveys, and various employee sessions.</p> <p>Further engagement with employees is demonstrated by regular ‘Town Halls’, which include a Q&A session, regular communications & briefings regarding changes in our offices & workplaces, a localised and informative employee intranet, and a commitment to diversity & inclusion via regular employee network groups, inclusion workshops.</p>
(c)	The need to foster the Company’s business relationships with suppliers, customers and others	<p>The Company receives support services from other Sony Interactive Entertainment group companies in its engagement with all key stakeholders.</p> <p>The Company builds and develops its relationships with key stakeholders by maintaining communication and good business practice based on the Sony Group Code of Conduct (the “Code”) (available here: https://www.sony.net/SonyInfo/csr_report/) and internal policies.</p>
(d)	The impact of the Company’s operations on the community and the environment	The impact of the Company’s operations on the community and the environment are considered by the Board as part of the impact assessment by the SIE Group.
(e)	The desirability	Our reputation for high standards of business conduct is governed

22
Firesprite Limited

Strategic report
For the year ended 31 March 2023

Reference	Requirement	Board Engagement
	of the Company's maintaining a reputation for high standards of business conduct.	<p>by the Code which establishes a framework of the Company's cultural norms and purpose and values to help guide business decision-making and conduct with respect to employees, vendors and other stakeholders.</p> <p>The Code provides guidance for the Company's expectations regarding what is (and is not) ethical and legal behaviour. The Code sets forth the basic internal standards to be observed by all directors, officers, employees (permanent or temporary), contractors, consultants and contingent workers of the Sony Group¹ ("Personnel"). The Sony Group commits itself to be bound by the Code and at the same time requires all Personnel to know, understand and comply with the Code. It ensures a clear priority on maintaining our reputation for high standards of business conduct through a focus on fairness, honesty, integrity, respect and responsibility via honest and ethical business conduct, maintaining stakeholder trust, respect for human rights, conscious recognition of diversity and inclusion, fair labour and employment practices, fair business practices, and ethical personal conduct.</p>
(f)	The need to act fairly as between members of the Company.	The Company is a wholly owned subsidiary of Sony Interactive Entertainment Europe Limited. The ultimate parent undertaking is Sony Group Corporation and as such the Company is a member of the Sony Group. There is no split ownership structure of the Company. All interactions with other companies within the SIE Group are governed by applicable intercompany arrangements.

PRINCIPAL RISKS AND UNCERTAINTIES

The key risks for the Company reflect the commercial pressures of a highly competitive market. These include:

- Principal risks for the Company include competition from other external software publishers, the downward price pressure on software and increasing costs to develop high quality next generation software titles. Management create and implement effective strategies to control these risks carefully monitoring the outcome of the strategies and the mitigation of these risks.
- The Coronavirus Disease 2019 ("COVID-19") pandemic has affected, and is expected to continue to affect, the Company's business operations, operating results and financial condition.
- The timing and extent to which the pandemic further impacts the Company's business, such as production of hardware by Sony Interactive Entertainment Inc. due to issues in the component supply chain, could vary greatly depending on the timing and extent to which COVID-19 declines, as well as the state of lockdowns and other measures in various global regions, and their impact on macroeconomic conditions.
- If international or domestic political and military instability disrupts Sony Group's business operations or those of its business partners Sony Group's operating results and financial condition may be adversely affected. For example, as a response to the worsening of the situation in Ukraine and Russia

¹ A 'Sony Group' company is any company where 50% or more of the voting rights are directly or indirectly controlled by Sony Group Corporation.

22

Firesprite Limited

Strategic report

For the year ended 31 March 2023

that began in the fiscal year ended March 31, 2022, as of the date of this report, Sony Group has suspended its business in Russia. If this situation worsens further in the future, it could create global uncertainty, possibly leading to the worsening of Sony Group's businesses in other regions or a deterioration in global economic conditions resulting in an adverse impact on Sony Group's operating results and financial condition.

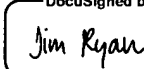
- Failure to attract, retain and maintain productive relations with the company's skilled employees and key management professionals may adversely impact the operating results and financial condition

Management create and implement effective strategies to control these risks carefully monitoring the outcome of the strategies and the mitigation of these risks.

CHANGE OF FINANCIAL YEAR END

The financial year end of the Company was changed in the prior period from 31 October to 31 March. Accordingly, the comparative figures are prepared for the seventeen months from 1 November 2020 to 31 March 2022. As a result, the comparative figures stated in the income statement, statement of changes in equity and the related notes are not comparable to this year.

The Strategic Report was approved by the Board of Directors and was signed on its behalf by:

DocuSigned by:

.....7B97C310717544F.....

J Ryan

Director

29 March 2024

Date:.....

Firesprite Limited

Directors' Report For the year ended 31 March 2023

The directors present their report and audited financial statements for the Company for the year ended 31 March 2023.

DIRECTORS

The directors who held office during the year and up to the date of signing the financial statements are given below:

James Ryan

Lin Imaizumi (appointed 17 May 2023)

Rebecca McCormack (resigned 19 September 2023)

FUTURE DEVELOPMENTS

The directors do not expect any significant change to the current strategy and objectives of the Company. The Company will continue to work on high quality video games for the PlayStation platforms on behalf of other group companies.

FINANCIAL RISK MANAGEMENT

The Company's operations expose it to a variety of risks that include the effects of commercial pricing pressures, credit risk, liquidity risk, foreign exchange rate risk and interest rate risk. Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Company's finance department. These policies seek to limit the adverse effects on the financial performance of the Company.

Price risk

The Company is exposed to significant price pressure due to the competitive nature of its industry. The Company monitors and reviews prices on a regular basis. Effective strategies are created to manage the exposure to significant price variances.

Foreign exchange rate risk

Foreign exchange rate fluctuations can affect the Company's operating results and financial condition. Foreign exchange risks are carefully managed by the central group treasury team who regularly review and undertake foreign currency hedges where necessary, to manage the foreign exchange risk.

Interest rate risk

The Company has interest bearing intercompany assets. Interest is charged and calculated as London Interbank Bid Rate (LIBID) less 6.25 basis points per month (2022: London Interbank Offer Rate (LIBOR) less 6.25 basis points).

DIVIDENDS

No ordinary dividends were paid (period ended 31 March 2022: £nil). The directors do not recommend payment of a final dividend.

Firesprite Limited

Directors' Report For the year ended 31 March 2023

POLITICAL AND DONATIONS

The company made no charitable or political donations in the current year (period ended 31 March 2022: £nil)

EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of the business as a whole.

The SIE Group systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement is encouraged, to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Company and SIE Group. The SIE Group encourages the involvement of employees through incentive schemes based on the financial and non-financial performance of the Company and its wider group.

QUALIFYING THIRD PARTY AND PENSION INDEMNITY SCHEMES

The Company maintains liability insurance for its directors and officers.

GOING CONCERN

The directors of Firesprite Limited have prepared group cash flow forecasts for at least 12 months from the date of approval of these financial statements which indicate that, taking account a severe but plausible downside scenario, Firesprite Limited will have sufficient funds to meet its liabilities as they fall due for that year.

The directors have assessed the current net asset position of the company £6,859,163 (year ended 31 March 2022: £5,567,636), the cash requirements of the company over the next 12 months from the issuance of the financial statements and thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors are confident that Firesprite Limited will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

The directors believe in the Company's ability to continue as a going concern and will be able to meet its financial obligations as they fall due for the foreseeable future, a period of at least twelve months from the date of signing these financial statements.

Firesprite Limited**Directors' Report****For the year ended 31 March 2023****STAKEHOLDER ENGAGEMENT STATEMENT**

We have considered the Companies (Miscellaneous Reporting) Regulations 2018 and recognise that the Company is required to summarise how the board of directors (the “**Board**”) have had regard to the need to foster the Company’s business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the Company during the financial year, in this Directors’ report.

We understand that, when fulfilling this requirement, the Board is not required to disclose information about impending developments or matters in the course of negotiation if the disclosure would, in the opinion of the Board, be seriously prejudicial to the interests of the Company.

The table below identifies the Company’s key stakeholder groups and how the Company has engaged with them throughout the applicable financial year.

Stakeholder Group	Stakeholder Interests i.e. key interests, issues and factors of importance	How the Company and its directors have engaged with this Stakeholder Group and considered its Stakeholder Interests in the applicable financial year
Other Sony Interactive Entertainment group companies (the “SIE Group”)	<ul style="list-style-type: none"> • Quality and efficiency of development • Value of development • Market trends 	→ Responsive and adaptable with business strategy and development milestones and timeframes
Shareholders	<ul style="list-style-type: none"> • Shareholder value 	<p>→ The Company is a wholly owned subsidiary of Sony Interactive Entertainment Europe Limited. The ultimate parent undertaking is Sony Group Corporation and as such the Company is a member of the Sony Group.</p> <p>→ The Board of the Company aim to grow the business profitably and works collectively with the entire Sony Group to provide sustained profitable growth for shareholders and other stakeholders.</p>

EMPLOYEE ENGAGEMENT STATEMENT

We have considered the Companies (Miscellaneous Reporting) Regulations 2018 and recognise that the Company is required to describe and summarise how the board of directors (the “**Board**”) has engaged with the Company’s employees and had regard to employee interests and the effect of that regard, including on the principal decisions taken by the Company during the financial year, in this Directors’ report.

We understand that, when fulfilling this requirement, the Board is not required to disclose information about impending developments or matters in the course of negotiation if the disclosure would, in the opinion of the Board, be seriously prejudicial to the interests of the Company.

Firesprite Limited

Directors' Report

For the year ended 31 March 2023

The engagement of the Board with the Company's employees and the Board's regard to employee interests is discussed within the s.172 statement that is contained in the Strategic Report.

STREAMLINED ENERGY AND CARBON REPORTING

The Company has considered the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 and the associated Streamlined Energy and Carbon Reporting and recognises that the Company is required to report on its annual UK energy use and associated greenhouse gas emissions in this Directors Report.

Due to the nature of how the Company operates with other SIE Group companies in practice, it is not practical nor representative to separate the energy and carbon information as between the SIE Group companies. Therefore, all energy and carbon information relating to the Company is included in the detailed Streamlined Energy and Carbon Report that is contained in the financial statements of the immediate parent company Sony Interactive Entertainment Europe Limited.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

Firesprite Limited

**Directors' Report
For the year ended 31 March 2023**

DIRECTORS' CONFIRMATIONS

In the case of each director in office at the date the Directors' Report is approved:

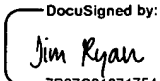
- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment was resolved at a meeting of the Board of Directors.

The Directors' Report was approved by the Board of Directors and was signed on its behalf by:

DocuSigned by:

.....7B97C310717544F.....

J Ryan
Director

29 March 2024

Date:

Independent auditors' report to the members of Firesprite Limited

Report on the audit of the financial statements

Opinion

In our opinion, Firesprite Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 March 2023; the Income statement and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and potential management bias in the selection and application of significant accounting judgements and estimates. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance;
- Challenging assumptions made by management in the selection and application of significant accounting judgements and estimates; and
- Identifying and testing the validity of journal entries, in particular any journal entries posted with unusual account combinations. We also performed unpredictable audit procedures.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

D. Solanki

Dev Solanki (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
4 April 2024

Firesprite Limited**Income statement****For the year ended 31 March 2023**

		Year ended 31 March 2023	Period ended 31 March 2022
	Notes	£	£
Turnover	3	50,064,615	35,841,617
Cost of sales		(42,612,768)	(30,228,905)
Gross profit		7,451,847	5,612,712
Administrative expenses		(5,692,956)	(5,324,245)
Other operating income		-	96,504
Operating profit	4	1,758,891	384,971
Interest receivable and similar income	7	151,443	3,337
Interest payable and similar expenses	8	-	(247,005)
Profit before taxation		1,910,334	141,303
Tax on profit	9	(388,623)	(92,973)
Profit for the financial year		1,521,711	48,330

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

Firesprite Limited**Statement of financial position
As at 31 March 2023**

		31 March 2023		31 March 2022	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	11	-		11,672	
Tangible assets	12	1,211,915		865,486	
Investments	13	303		303	
		<u>1,212,218</u>		<u>877,461</u>	
Current assets					
Debtors	15	13,822,286	5,609,488		
Cash at bank and in hand		22,021	5,595,615		
		<u>13,844,307</u>	<u>11,205,103</u>		
Creditors: amounts falling due within one year	16	<u>(6,985,144)</u>	<u>(5,637,467)</u>		
Net current assets		<u>6,859,163</u>		<u>5,567,636</u>	
Total assets less current liabilities		<u>8,071,382</u>		<u>6,445,097</u>	
Provisions for liabilities					
Deferred tax liability	18	233,385	128,812		
		<u>(233,385)</u>	<u>(128,812)</u>		
Net assets		<u>7,837,996</u>		<u>6,316,285</u>	
Capital and reserves					
Called up share capital	21	12	12		
Capital redemption reserve		88	88		
Profit and loss account		7,837,896	6,316,185		
Total equity		<u>7,837,996</u>	<u>6,316,285</u>		

Firesprite Limited

Statement of financial position (continued)
As at 31 March 2023

The notes on pages 18 to 39 are an integral part of the financial statements.

The financial statements on pages 14 to 39 were approved by the Board of Directors on
29 March 2024
..... and were signed on its behalf by:

DocuSigned by:

.....7B97C310717584F.....
J Ryan
Director

Company Registration No.08240765

Firesprite Limited**Statement of changes in equity
For the year ended 31 March 2023**

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 November 2020		100	-	6,267,855	6,267,955
Period ended 31 March 2022:					
Profit and total comprehensive income for the period		-	-	48,330	48,330
Redemption of shares	20	(88)	888	-	-
Balance at 31 March 2022		12	88	6,316,185	6,316,285
Year ended 31 March 2023:					
Profit and total comprehensive income for the year		-	-	1,521,711	1,521,711
Balance at 31 March 2023		<u>12</u>	<u>88</u>	<u>7,837,896</u>	<u>7,837,996</u>

Firesprite Limited

Notes to the financial statements (continued) For the year ended 31 March 2023

1 GENERAL INFORMATION

Firesprite Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006, England and Wales. The principal activities of the Company consist of the development of computer software.

The Company is a private company and is incorporated and domiciled in England. The address of its registered office is C/O Corporation Service Company (Uk) Ltd, 5 Churchill Place, 10th Floor, London, E14 5HU.

The Company is a wholly owned subsidiary company of a group headed by Sony Group Corporation and is included in the consolidated financial statements of that company, which are publicly available.

Sony Group Corporation is registered in Japan and copies of their financial statements can be obtained from Sony Global Treasury Services Plc, 15th Floor, Commercial Union Tower, 1 Undershaft, London, EC3A 8EE

2 ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation

The financial statements of Firesprite Limited have been prepared under the historical cost convention 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.

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 on the historical cost basis, except where the individual accounting policies state otherwise. The principal accounting policies adopted are set out below. These policies have been consistently applied to both periods presented unless otherwise stated.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company accounting policies (see note 2).

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
 - Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
-

Firesprite Limited

Notes to the financial statements (continued) For the year ended 31 March 2023

-
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
 - Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Sony Group Corporation, a company incorporated in Japan. These consolidated financial statements are available from Sony Global Treasury Services Plc, 15th Floor, Commercial Union Tower, 1 Undershaft, London, EC3A 8EE.

Reporting period

The financial year end of the company was changed in the previous accounting period from 31 October to 31 March. Accordingly, the comparative figures are prepared for the seventeen months from 1 November 2020 to 31 March 2022. As a result, the comparative figures stated in the income statement, statement of changes in equity and the related notes are not comparable.

Going concern

The directors of Firesprite Limited have prepared group cash flow forecasts for at least 12 months from the date of approval of these financial statements which indicate that, taking account a severe but plausible downside scenario, Firesprite Limited will have sufficient funds to meet its liabilities as they fall due for that year.

The directors have assessed the current net asset position of the company £7,837,996 (period ended 31 March 2022: £6,316,285), the cash requirements of the company over the next 12 months from the issuance of the financial statements and thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors are confident that Firesprite Limited will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Turnover

Turnover arises from the provision of video game development activities, intergroup trading and royalties.

Development turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business as stipulated by development agreements and is shown net of VAT and other sales related taxes. Turnover from such agreements is generally recognised over time as the development activity takes place with reference to contractual milestones and as the risk and rewards are transferred to its customers.

Intergroup turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business as stipulated by development agreements and is shown net of VAT and other sales related taxes.

Royalties are recognised when the significant risks and rewards of ownership have passed to the buyer, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity.

Firesprite Limited**Notes to the financial statements (continued)****For the year ended 31 March 2023**

Cost of sales

Video game development costs and development fees are recognised in costs of sales in the year in which they are incurred.

Research and development expenditure

Research expenditure is expenses to the Income Statement in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated. No development costs have been capitalised during the current year or prior period.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

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	25% straight line
----------	-------------------

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:

Fixtures and Fittings	25% straight line
Computer Equipment	25% straight line

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.

Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term

Firesprite Limited

Notes to the financial statements (continued) For the year ended 31 March 2023

interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash- generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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.

Financial instruments

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

Financial assets and liabilities are offset, with 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.

Firesprite Limited**Notes to the financial statements (continued)
For the year ended 31 March 2023**

Accounting policies (continued)***Basic financial assets***

Basic financial assets, which include debtors, 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.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Firesprite Limited**Notes to the financial statements (continued)
For the year ended 31 March 2023**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the tax currently payable, tax currently recoverable 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 income statement 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.

Current tax recoverable

The tax currently recoverable is based on relievable losses arising in the period as a result of video game tax relief legislation. Relievable losses differ from net losses as reported in the profit and loss account because they include an additional deduction relating to qualifying high-end television production expenditure and exclude items of income or expense that are taxable or deductible in other periods, as well as items that are never taxable or deductible. The company's tax position is calculated using 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. Where items recognised in other comprehensive income or equity are

Firesprite Limited

Notes to the financial statements (continued) **For the year ended 31 March 2023**

chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. 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.

Video Games Tax Credit

The Company is able to claim for certain tax credits from the UK tax authority for the development of video game software. The estimated value of the credits is accrued when the eligibility criteria are met.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense inline with the employee service being performed.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

Consolidated financial statements

The company is a wholly owned subsidiary of Sony Interactive Entertainment Europe Limited and of its ultimate parent, Sony Group Corporation. It is included in the consolidated financial statements of Sony Group Corporation which are publicly available. The company is exempt by virtue of section 400 of the Companies Act

Firesprite Limited**Notes to the financial statements (continued)**
For the year ended 31 March 2023

2006 from the requirement to prepare consolidated financial statements. The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Sony Group Corporation. The consolidated financial statements of Sony Group Corporation are publicly available and can be obtained from Sony Global Treasury Services Plc, 15th Floor, Commercial Union Tower, 1 Undershaft, London, EC3A 8EE.

Critical accounting 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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Video Games Tax Relief estimate

The key accounting estimate within the financial statements for this company is the valuation of the video games tax relief available. The estimate is based on the assessment of the value of qualifying expenditure as per HMRC legislation and guidance plus assessment of the qualification of the underlying game as eligible for the tax relief.

In the directors' opinion, there were no other critical judgements or other estimation uncertainties in these financial statements.

3 Turnover

	Year ended 31 March 2023 £	Period ended 31 March 2022 £
Turnover analysed by class of business		
Development turnover	32,594,713	18,033,167
Intergroup turnover	17,438,908	17,744,180
Royalties	30,994	64,270
	<hr/>	<hr/>
	50,064,615	35,841,617

Firesprite Limited**Notes to the financial statements (continued)**
For the year ended 31 March 2023

	Year ended 31 March 2023 £	Period ended 31 March 2022 £
Turnover analysed by geographical market		
United Kingdom	42,719,998	24,507,317
United States of America	271,560	3,100,831
Asia	505,167	3,946,068
Europe	6,567,890	4,287,400
	<u>50,064,615</u>	<u>35,841,616</u>

Firesprite Limited**Notes to the financial statements (continued)**
For the year ended 31 March 2023**4 Operating profit**

	Year ended 31 March 2023	Period ended 31 March 2022
Operating profit for the year is stated after charging/(crediting):	£	£
Exchange Losses/ (gains)	246,029	(167,162)
Research and development costs	9,265,095	5,661,840
Research and development credit	(975,614)	(610,104)
Video games tax relief	-	(96,505)
Fees payable to the company's auditor for the audit of the company's and its subsidiaries financial statements current year	65,000	65,000
Fees payable to the company's auditor for the audit of the company's and its subsidiaries financial statements prior year	80,000	-
Depreciation of owned tangible fixed assets	356,799	346,104
Loss on disposal of tangible fixed assets	-	33,771
Amortisation of intangible assets	4,519	6,199
Operating lease charges	417,773	256,098

The directors believe the research and development costs incurred in the year qualify for research and development credits £975,614 (31 March 2022 : £610,104).

5 Employees

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

	Year ended 31 March 2023 Number	Period ended 31 March 2022 Number
Development staff	250	197
Support staff	24	2
Total	274	219

Firesprite Limited**Notes to the financial statements
For the year ended 31 March 2023****5 Employees (continued)**

Their aggregate remuneration comprised:

	Year ended 31 March 2023 £	Period ended 31 March 2022 £
Wages and salaries	18,690,268	17,459,181
Social security costs	2,458,225	2,192,320
Other pension costs	976,366	389,880
	<u>22,124,859</u>	<u>20,041,381</u>

6 Directors' remuneration

	Year ended 31 March 2023 £	Period ended 31 March 2022 £
Remuneration for qualifying services	-	431,214
Company pension contributions to defined contribution schemes	-	6,018
	<u>-</u>	<u>437,232</u>

Director's remuneration is borne by an SIE group company.

Dividends totalling £nil (31 Mar 2022: £nil) were paid in the year in respect of shares held by the company's directors.

As at the year end £nil (31 March 2022 :£nil) is due to or from the directors of the company.

Firesprite Limited**Notes to the financial statements (continued)**
For the year ended 31 March 2023**6 Directors' remuneration(continued)**

Remuneration disclosed above include the following amounts paid to the highest paid director:

	Year ended 31 March 2023 £	Period ended 31 March 2022 £
Remuneration for qualifying services	-	86,242
Company pension contributions to defined contribution schemes	-	1,204

7 Interest receivable and similar income

	Year ended 31 March 2023 £	Period ended 31 March 2022 £
Interest income		
Other interest income	151,443	3,337
Total income	<u>151,443</u>	<u>3,337</u>

8 Interest payable and similar expenses

	Year ended 31 March 2023 £	Period ended 31 March 2022 £
Interest on bank overdrafts and loans	-	239,884
Other interest	-	7,121
	<u>-</u>	<u>247,005</u>

Firesprite Limited**Notes to the financial statements
For the year ended 31 March 2023****9 Taxation**

	Year ended 31 March 2023 £	Period ended 31 March 2022 £
Current tax		
UK corporation tax on profits for the current year	279,050	15,689
Adjustments in respect of prior periods	-	6,579
Total current tax	<u>279,050</u>	<u>22,268</u>
Deferred tax		
Origination and reversal of timing differences	109,573	51,134
Previously unrecognised tax loss, tax credit or timing difference	-	19,571
Total deferred tax	<u>109,573</u>	<u>70,705</u>
 Total tax charge	 <u>388,623</u>	 <u>92,973</u>

Firesprite Limited**Notes to the financial statements (continued)**
For the year ended 31 March 2023**9 Taxation (continued)**

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	Year ended 31 March 2023 £	Period ended 31 March 2022 £
Profit before taxation	1,910,334	141,303
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	362,963	26,848
Tax effect of expenses that are not deductible in determining taxable profit	24,666	35,722
Tax effect of income not taxable in determining taxable profit	-	-
Adjustments in respect of prior years	2	6,579
Other permanent differences	-	73,344
Deferred tax adjustments in respect of prior years	-	2,894
Dividend income	-	-
Remeasurement of deferred tax for changes in tax rates	(2,046)	30,915
R&D tax credits	43,481	23,511
Video game development tax profit adjustment	-	(72,075)
Fixed asset differences	(40,423)	(34,765)
Taxation charge for the period	388,623	92,973

The Finance Act 2023, which was substantively enacted on 10 January 2023, included provisions to increase the rate of UK corporation tax to 25% with effect from 1 April 2023 from 19%. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

Firesprite Limited**Notes to the financial statements (continued)**
For the year ended 31 March 2023**10 Intangible fixed assets**

	£
Cost	
At 1 April 2022	25,327
Additions	5,946
Disposals	(25,851)
	<hr/>
At 31 March 2023	<hr/> -
Amortisation and impairment	
At 1 April 2022	13,655
Amortisation charged for the year	4,519
Amortisation on disposals	(18,174)
	<hr/>
At 31 March 2023	<hr/> -
Carrying amount	
At 31 March 2023	<hr/> -
At 31 March 2022	<hr/> 11,672

Firesprite Limited**Notes to the financial statements (continued)**
For the year ended 31 March 2023**11 Tangible fixed assets**

	Fixtures and Fittings	Computer Equipment	Total
	£	£	£
At 1 April 2022	51,889	1,239,365	1,291,254
Additions	-	703,228	703,228
Disposals	-	-	-
At 31 March 2023	51,889	1,942,593	1,994,482
At 1 April 2022	38,277	387,491	425,768
Depreciation charged in the year	8,582	348,217	356,799
Eliminated in respect of disposals	-	-	-
At 31 March 2023	46,859	735,708	782,567
Carrying amount			
At 31 March 2023	5,030	1,206,885	1,211,915
At 31 March 2022	13,612	851,874	865,486

12 Fixed asset investments

		31 March 2023	31 March 2022
	Notes	£	£
Investments in subsidiaries	14	<u>303</u>	<u>303</u>

Firesprite Limited**Notes to the financial statements (continued)**
For the year ended 31 March 2023**12 Fixed asset investments(continued)****Movements in fixed asset investments**

	Shares in subsidiaries £
Cost or valuation	
At 1 April 2022	303
Additions	-
	<hr/>
At 31 March 2023	303
	<hr/>
Carrying amount	
At 31 March 2023	303
	<hr/> <hr/>
At 31 March 2022	303
	<hr/> <hr/>

13 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Firesprite Games Limited	*	Video game development	Ordinary	100.00	-
Icesprite Limited	*	Video game development	Ordinary	100.00	-
Fabrik Games Limited	*	Video game development	Ordinary	100.00	-
Fabrik Productions Limited	*	Video game development	Ordinary	-	100.00

Registered office addresses (all UK unless otherwise indicated):

* C/O Corporation Service Company (Uk) Limited, 5 Churchill Place, 10th Floor, London, E14 5HU

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Firesprite Limited**Notes to the financial statements (continued)****For the year ended 31 March 2023****13 Subsidiaries (continued)**

Name of undertaking	Capital and Reserves £	Profit/(Loss) after tax £
Firesprite Games Limited	2,906,722	169,098
Icesprite Limited	1,730	0
Fabrik Games Limited	69,988	19,551
Fabrik Productions Limited	7,574	4,008

14 Debtors

	31 March 2023 £	31 March 2022 £
Amounts falling due within one year:		
Trade debtors	111	788,832
Corporation tax recoverable	1,517,483	690,920
Amounts owed by subsidiaries	4,302,601	880,332
Amounts owed by other group undertakings	7,500,943	2,568,765
Other debtors	12,051	159,455
Prepayments and accrued income	489,097	521,184
	<u>13,822,286</u>	<u>5,609,488</u>

Amounts owed by subsidiaries due within one year are unsecured, interest free and repayable on demand.

Amounts owed by group undertakings consists mainly of deposits of £10,413,465 (2022: £0). The deposits balance both accrue interest at London Interbank Bid Rate (LIBID) less 6.25 basis points per month (2022: London Interbank Offer Rate (LIBOR) less 6.25 basis points), are unsecured and repayable on demand. The remaining amounts owed (to)/ from group undertakings of £(2,912,522) (2022: £2,568,765) relate to trading balances.

15 Creditors: amounts falling due within one year

		31 March 2023 £	31 March 2022 £
	Notes		
Obligations under finance leases	17	30,416	91,247
Trade creditors		328,832	55,280
Corporation tax		-	-
Other taxation and social security		1,551,270	1,068,315
Deferred income	19	-	1,709,722
Other creditors		-	8,606
Accruals		<u>5,074,626</u>	<u>2,704,297</u>

Firesprite Limited

Notes to the financial statements (continued)
For the year ended 31 March 2023

	6,985,144	5,637,467
	<u> </u>	<u> </u>

Firesprite Limited**Notes to the financial statements (continued)**
For the year ended 31 March 2023**16 Finance lease obligations**

	31 March 2023	31 March 2022
	£	£
Future minimum lease payments due under finance leases:		
Within one year	30,514	91,247

Finance lease payments represent rentals payable by the company for certain items of computer equipment which has a net book value of £29,973 (31 March 2022 : £32,041). Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 31 March 2023	Liabilities 31 March 2022
	£	£
Balances:		
Accelerated capital allowances	238,385	128,812
Movements in the year:		2023
		£
Liability at 1 March 2022		128,812
Charge to profit or loss		109,573
Liability at 31 March 2023		238,385

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

The Finance Act 2023, which was substantively enacted on 10 January 2023, included provisions to increase the rate of UK corporation tax to 25% with effect from 1 April 2023 from 19%. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

Firesprite Limited**Notes to the financial statements (continued)**
For the year ended 31 March 2023**18 Deferred income**

	31 March 2023	31 March 2022
	£	£
Deferred income	-	1,709,722

19 Retirement benefit schemes

	Year ended 31 March 2023	Period ended 31 March 2022
	£	£
Defined contribution schemes		
Charge to income statement in respect of defined contribution schemes	976,366	387,117

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

20 Share capital

	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary A & B shares of 0.125p each (31 October 2020 of £1)	10,000	10,000	12	12

Firesprite Limited**Notes to the financial statements (continued)**
For the year ended 31 March 2023**21 Operating lease commitments****Lessee**

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

	2023	2022
	£	£
Within one year	-	46,180
Between two and five years	1,783,685	-
Due after five years	3,924,107	-
	<u>5,707,792</u>	<u>46,180</u>

22 Related party transactions

The company has taken advantage of the exemption under paragraph 1AC.35 of FRS102 from disclosing transactions entered into between two or more members of a group, where any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group.

23 Ultimate controlling party

At 31 March 2023, the immediate parent undertaking is Sony Interactive Entertainment Europe Limited.

At 31 March 2023, the ultimate parent undertaking and controlling party is Sony Group Corporation, a company incorporated in Japan. The address of Sony Group Corporation is 1-7-1 Konan Minato-ku, Tokyo, 108-0075, Japan.

Sony Group Corporation is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 March 2023.

Sony Group Corporation is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Sony Group Corporation are publicly available and can be obtained from Sony Global Treasury Services Plc, 15th Floor, Commercial Union Tower, 1 Undershaft, London, EC3A 8EE.