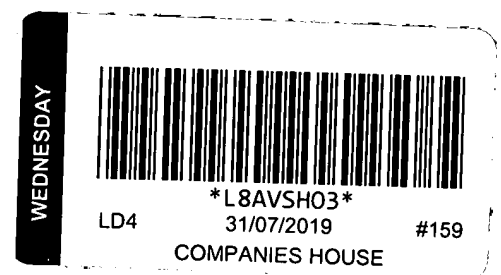


Company Registration No. 06663645 (England and Wales)

Hello Games Ltd

**Annual report and financial statements
for the period ended 31 October 2018**



Hello Games Ltd

Company information

Director	S Murray
Secretary	L Murray
Company number	06663645
Registered office	Dolphin House 3 North Street Guilford Surrey GU1 4AA

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Strategic report

For the period ended 31 October 2018

The director presents the strategic report for the period ended 31 October 2018.

Fair review of the business

This is the first presentation of Hello Games annual report as a medium entity, following the recent success of the game No Man's Sky.

During the period Hello Games has released new content for No Man's Sky at no extra cost to players, which has improved the user experience when playing the game. No Man's Sky was also released onto Xbox so the game is now available across most major gaming platforms.

Key performance indicators

The Company monitors various KPIs for the purpose of reviewing the financial and business performance of the Company.

£'000	PE 31 Oct 18	PE 31 Jan 18
Revenue	25,361	74,550
Operating Profit	23,682	33,191
OP %	93%	45%

The prior period saw the initial release of No Man's Sky. The fall in revenue is expected for the period immediately following the main launch event.

Principal risks and uncertainties

The market in which the Company operates is highly competitive and consumer oriented, therefore the potential success or failure of a title is hard to predict during development.

The Company is mitigating these risks by investing in the development of new content and enhancing our existing titles to maintain market presence during the creation of new titles.

On behalf of the board



S Murray

Director

27/17/19

Hello Games Ltd

Director's report

For the period ended 31 October 2018

The director presents his annual report and financial statements for the period ended 31 October 2018.

Principal activities

The principal activity of the company continued to be that of games development.

Director

The director who held office during the period and up to the date of signature of the financial statements was as follows:

S Murray

Results and dividends

The results for the period are set out on page 7.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Future developments

Hello Games will continue to develop and release new content for No Man's Sky, whilst simultaneously developing new titles.

Auditor

RSM were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of director's responsibilities

The director is responsible for preparing the strategic report and director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

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

The director is 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. He is 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.

Hello Games Ltd

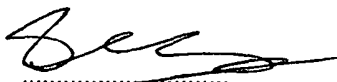
Director's report (continued)

For the period ended 31 October 2018

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



S Murray

Director

Date: 27/7/19

Opinion

We have audited the financial statements of Hello Games Limited (the 'company') for the period ended 31 October 2018 which comprise the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 October 2018 and of its profit for the period 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.

Other matter - prior period financial statements not audited

The company was exempt from audit in the period ended 31 January 2018 and consequently the corresponding figures are unaudited.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report (continued)
To the members of Hello Games Ltd

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.

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 period 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 director

As explained more fully in the directors' responsibilities statement set out on page 2, 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.

Hello Games Ltd

Independent auditor's report (continued)

To the members of Hello Games Ltd

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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.



Jonathan Da Costa FCCA (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

One London Square

Cross Lanes

Guildford Surrey, GU1 1UN

29/7/2019

Hello Games Ltd

Income statement

For the period ended 31 October 2018

		9 months ended 31 October 2018 £'000	18 months ended 31 January 2018 £'000
	Notes		
Turnover	3	25,361	74,550
Cost of sales		(1,720)	(40,316)
		<hr/>	<hr/>
Gross profit		23,641	34,234
Administrative expenses		41	(1,043)
		<hr/>	<hr/>
Operating profit	4	23,682	33,191
Interest receivable and similar income	7	52	32
		<hr/>	<hr/>
Profit before taxation		23,734	33,223
Tax on profit	8	6,822	(4,010)
		<hr/>	<hr/>
Profit for the financial period		30,556	29,213
		<hr/>	<hr/>

The Income Statement has been prepared on the basis that all operations are continuing operations.

Hello Games Ltd

**Statement of comprehensive income
For the period ended 31 October 2018**

	9 months ended 31 October 2018 £'000	18 months ended 31 January 2018 £'000
Profit for the period	30,556	29,213
Other comprehensive income	-	-
Total comprehensive income for the period	<u>30,556</u>	<u>29,213</u>

Hello Games Ltd

Statement of financial position
As at 31 October 2018

			31 October 2018		31 January 2018
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	10		212		125
Current assets					
Debtors	12	6,970		641	
Cash at bank and in hand		54,144		59,787	
		<u>61,114</u>		<u>60,428</u>	
Creditors: amounts falling due within one year	13	<u>(1,332)</u>		<u>(31,115)</u>	
Net current assets			59,782		29,313
Total assets less current liabilities			<u>59,994</u>		<u>29,438</u>
Capital and reserves					
Called up share capital	15		1		1
Profit and loss reserves			59,993		29,437
Total equity			<u>59,994</u>		<u>29,438</u>

The financial statements were approved and signed by the director and authorised for issue on 27/7/19.



S Murray
Director

Company Registration No. 06663645

Hello Games Ltd

**Statement of changes in equity
For the period ended 31 October 2018**

		Share capital	Profit and loss reserves	Total
	Notes	£'000	£'000	£'000
Balance at 1 August 2016		1	277	278
Period ended 31 January 2018:				
Profit and total comprehensive income for the period		-	29,213	29,213
Dividends	9	-	(53)	(53)
Balance at 31 January 2018		1	29,437	29,438
Period ended 31 October 2018:				
Profit and total comprehensive income for the period		-	30,556	30,556
Balance at 31 October 2018		1	59,993	59,994

Hello Games Ltd

Statement of cash flows

For the period ended 31 October 2018

			31 October 2018		31 January 2018
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	18		(7,670)		57,291
Income taxes (paid)/refunded			(4)		421
			<u> </u>		<u> </u>
Net cash (outflow)/inflow from operating activities			(7,674)		57,712
Investing activities					
Purchase of tangible fixed assets		-		(152)	
Interest received		52		32	
		<u> </u>		<u> </u>	
Net cash generated from/(used in) investing activities			52		(120)
Financing activities					
Dividends paid		-		(53)	
		<u> </u>		<u> </u>	
Net cash used in financing activities			-		(53)
			<u> </u>		<u> </u>
Net (decrease)/increase in cash and cash equivalents			(7,622)		57,539
Cash and cash equivalents at beginning of period			59,787		2,248
Effect of foreign exchange rates			1,979		-
			<u> </u>		<u> </u>
Cash and cash equivalents at end of period			54,144		59,787
			<u> </u>		<u> </u>

Notes to the financial statements

For the period ended 31 October 2018

1 Accounting policies

Company information

Hello Games Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Dolphin House, 3 North Street, Guilford, Surrey, GU1 4AA.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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 £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Reporting period

The company shortened its reporting period from 31 January 2019 to 31 October 2018 in order to align with the production cycle of the video game. Accordingly, comparatives presented in the financial statements are not entirely comparable.

1.4 Turnover

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

Revenue from the sale of video game licences is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch or download), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Accrued income balances arise when sales have been made by distributors to the end user, but royalty payments have not been made to Hello Games Ltd.

1.5 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.

Notes to the financial statements (continued)
For the period ended 31 October 2018

1 Accounting policies (continued)

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:

Land and buildings Leasehold	20% straight line
Motor vehicles	20% 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.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

1.7 Cash at bank and in hand

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

1.8 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.

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.

Notes to the financial statements (continued)
For the period ended 31 October 2018

1 Accounting policies (continued)

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.

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.

Notes to the financial statements (continued)
For the period ended 31 October 2018

1 Accounting policies (continued)

1.9 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.

1.10 Taxation

The tax expense represents the sum of the tax currently payable, tax currently recoverable under video games tax relief legislation, and deferred tax.

Current tax

The tax currently payable is based on taxable profit and video games tax credit 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. Video games tax credit is an additional deduction relating to qualifying video game development expenditure. The company's tax position is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

1.14 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 are included in the income statement for the period.

Notes to the financial statements (continued)
For the period ended 31 October 2018

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is 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.

The key judgement impacting the financial statements are in respect of the inputs and judgements associated with the video games tax relief claim. Changes to these judgements would result in a higher or lower corporation tax credit.

3 Turnover and other revenue

	9 months ended 31 October 2018 £'000	18 months ended 31 January 2018 £'000
Turnover analysed by class of business		
VG sales	25,361	74,550
	<u> </u>	<u> </u>
	9 months ended 31 October 2018 £'000	18 months ended 31 January 2018 £'000
Other significant revenue		
Interest income	52	32
	<u> </u>	<u> </u>

Notes to the financial statements (continued)
For the period ended 31 October 2018

3 Turnover and other revenue (continued)

	9 months ended 31 October 2018 £'000	18 months ended 31 January 2018 £'000
Turnover analysed by geographical market		
UK	3,040	16,650
Europe	34	655
Rest of the world	22,287	57,245
	<u>25,361</u>	<u>74,550</u>

4 Operating profit

	9 months ended 31 October 2018 £'000	18 months ended 31 January 2018 £'000
Operating profit for the period is stated after charging/(crediting):		
Exchange gains	(1,107)	(727)
Fees payable to the company's auditor for the audit of the company's financial statements	20	-
Depreciation of owned tangible fixed assets	23	26
(Profit)/loss on disposal of tangible fixed assets	-	22
Operating lease charges	<u>199</u>	<u>348</u>

Notes to the financial statements (continued)
For the period ended 31 October 2018

5 Employees

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

	9 months ended 31 October 2018 Number	18 months ended 31 January 2018 Number
Game development	31	20
Administration	2	1
	<u>33</u>	<u>21</u>

Their aggregate remuneration comprised:

	9 months ended 31 October 2018 £'000	18 months ended 31 January 2018 £'000
Wages and salaries	1,188	34,442
Social security costs	120	4,714
Pension costs	26	13
	<u>1,334</u>	<u>39,169</u>

6 Director's remuneration

	9 months ended 31 October 2018 £'000
Remuneration for qualifying services	52
	<u>52</u>

Notes to the financial statements (continued)
For the period ended 31 October 2018

7 Interest receivable and similar income

	9 months ended 31 October 2018 £'000	18 months ended 31 January 2018 £'000
Interest income		
Interest on bank deposits	52	32
	<u>52</u>	<u>32</u>
 Interest on financial assets not measured at fair value through profit or loss	 52	 32
	<u>52</u>	<u>32</u>

8 Taxation

	9 months ended 31 October 2018 £'000	18 months ended 31 January 2018 £'000
Current tax		
UK corporation tax on profits for the current period	(783)	4,025
Adjustments in respect of prior periods	(6,039)	(15)
	<u>(6,822)</u>	<u>4,010</u>
Total current tax	(6,822)	4,010

Notes to the financial statements (continued)
For the period ended 31 October 2018

8 Taxation (continued)

The actual (credit)/charge for the period can be reconciled to the expected charge for the period based on the profit or loss and the standard rate of tax as follows:

	9 months ended 31 October 2018 £'000	18 months ended 31 January 2018 £'000
Profit before taxation	(23,734)	(33,223)
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2018: 19%)	4,509	6,459
Under/(over) provided in prior years	(6,039)	(15)
Enhanced losses arising from the video game tax credit	(5,105)	(2,118)
Difference between the rate of corporation tax and the rate of relief under the video game tax credit	(187)	(303)
Disallowable costs	-	9
Capital allowances	-	(22)
	<u>(6,822)</u>	<u>4,010</u>
Taxation (credit)/charge for the period	<u>(6,822)</u>	<u>4,010</u>

9 Dividends

	9 months ended 31 October 2018 £'000	18 months ended 31 January 2018 £'000
Interim paid	<u>-</u>	<u>53</u>

Notes to the financial statements (continued)
For the period ended 31 October 2018

10 Tangible fixed assets

	Land and buildings Leasehold	Motor vehicles	Total
	£'000	£'000	£'000
Cost			
At 1 February 2018	79	72	151
Additions	110	-	110
	<hr/>	<hr/>	<hr/>
At 31 October 2018	189	72	261
	<hr/>	<hr/>	<hr/>
Depreciation and impairment			
At 1 February 2018	12	14	26
Depreciation charged in the period	12	11	23
	<hr/>	<hr/>	<hr/>
At 31 October 2018	24	25	49
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 31 October 2018	165	47	212
	<hr/>	<hr/>	<hr/>
At 31 January 2018	67	58	125
	<hr/>	<hr/>	<hr/>

11 Financial instruments

	31 October 2018 £'000	31 January 2018 £'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	4,077	497
	<hr/>	<hr/>
Carrying amount of financial liabilities		
Measured at amortised cost	792	27,017
	<hr/>	<hr/>

Notes to the financial statements (continued)
For the period ended 31 October 2018

12 Debtors

	31 October 2018 £'000	31 January 2018 £'000
Amounts falling due within one year:		
Trade debtors	2,734	327
Corporation tax recoverable	2,801	-
Other debtors	8	8
Prepayments and accrued income	1,350	229
	<u>6,893</u>	<u>564</u>
	31 October 2018 £'000	31 January 2018 £'000
Amounts falling due after more than one year:		
Other debtors	77	77
	<u>77</u>	<u>77</u>
Total debtors	<u>6,970</u>	<u>641</u>

13 Creditors: amounts falling due within one year

	31 October 2018 £'000	31 January 2018 £'000
Trade creditors	262	92
Corporation tax	-	4,025
Other taxation and social security	540	73
Other creditors	353	9
Accruals and deferred income	177	26,916
	<u>1,332</u>	<u>31,115</u>

Notes to the financial statements (continued)
For the period ended 31 October 2018

14 Retirement benefit schemes

	31 October 2018 £'000	31 January 2018 £'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	26	13
	<u>26</u>	<u>13</u>

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.

15 Share capital

	31 October 2018 £	31 January 2018 £
Ordinary share capital		
Issued and fully paid		
650 Ordinary of £1 each	650	650
130 Ordinary A of £1 each	130	130
130 Ordinary B of £1 each	130	130
130 Ordinary C of £1 each	130	130
	<u>1,040</u>	<u>1,040</u>

Each share is entitled to one vote in any circumstances.

16 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:

	31 October 2018 £'000	31 January 2018 £'000
Within one year	160	160
Between two and five years	640	640
In over five years	573	733
	<u>1,373</u>	<u>1,533</u>

Notes to the financial statements (continued)
For the period ended 31 October 2018

17 Controlling party

The company is controlled by the sole director and majority shareholder, S Murray.

18 Cash generated from operations

	31 October	31 January
	2018	2018
	£'000	£'000
Profit for the period after tax	30,556	29,213
Adjustments for:		
Taxation (credited)/charged	(6,822)	4,010
Investment income	(52)	(32)
(Gain)/loss on disposal of tangible fixed assets	-	22
Depreciation and impairment of tangible fixed assets	23	26
Foreign exchange (gains)/losses	(1,107)	-
Movements in working capital:		
(Increase) in debtors	(3,528)	(478)
(Decrease)/increase in creditors	(26,740)	24,530
Cash (absorbed by)/generated from operations	(7,670)	57,291

19 Share-based payments

An option to acquire 3% of shares in issue at the date of exercise at an exercise price of £1 per share was issued on 5 May 2014 to a third party and remains in force. This option is subject to certain defined preconditions.

Options issued on 4 June 2015 over a further 285 shares with an exercise price of £978.90 per share also subsist at the balance sheet date in favour of 5 employees. These options are subject to preconditions relating to duration of service and company performance.

All options may be fulfilled by either the issue of new shares or the transfer of existing shares.