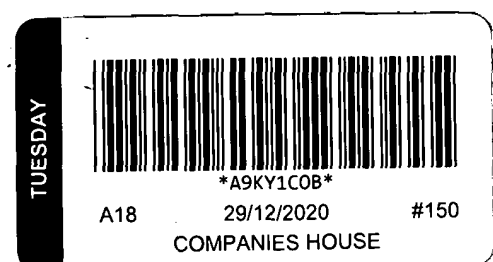

WORLD GOLF SYSTEMS LIMITED

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 DECEMBER 2019



WORLD GOLF SYSTEMS LIMITED
REGISTERED NUMBER: 03439400

BALANCE SHEET
AS AT 31 DECEMBER 2019

| | Note | 2019 £ | 2018 £ |
|---|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Intangible assets | 4 | 2,584,929 | 2,218,639 |
| Tangible assets | 5 | 6,585 | 5,291 |
| | | <u>2,591,514</u> | <u>2,223,930</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 6 | 842,426 | 300,233 |
| Cash at bank and in hand | 7 | 387,276 | 367,558 |
| | | <u>1,229,702</u> | <u>667,791</u> |
| Creditors: amounts falling due within one year | 8 | (1,027,914) | (822,770) |
| Net current assets/(liabilities) | | <u>201,788</u> | <u>(154,979)</u> |
| Total assets less current liabilities | | <u>2,793,302</u> | <u>2,068,951</u> |
| Creditors: amounts falling due after more than one year | | (525,000) | - |
| Net assets | | <u><u>2,268,302</u></u> | <u><u>2,068,951</u></u> |
| Capital and reserves | | | |
| Called up share capital | 11 | 846,201 | 846,201 |
| Share premium account | 12 | 4,200,476 | 4,200,476 |
| Profit and loss account | 12 | (2,778,375) | (2,977,726) |
| | | <u><u>2,268,302</u></u> | <u><u>2,068,951</u></u> |

WORLD GOLF SYSTEMS LIMITED
REGISTERED NUMBER: 03439400

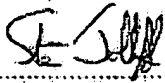
BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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



S P Jolliffe
Director

Date: 23 December 2020

The notes on pages 3 to 9 form part of these financial statements.

WORLD GOLF SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

World Golf Systems Limited is a company limited by shares, incorporated in England and Wales within the United Kingdom. The address of the registered office is First Floor Radius House, 51 Clarendon Road, Watford, WD17 1HP.

The principal activity of the company is that of the development of golf technology in the entertainment industry.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

As at the year end, the Company had net current assets of £201,788 and generated a profit of £199,351 after tax. Since the year end, the Company, like most of the world's businesses, has faced significant challenge in operating normally with the onset of the Covid-19 crisis. The Directors have taken steps to manage the Company's own cashflow during this period and having due regard to these matters, the Directors have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the Board continues to adopt the going concern basis in preparing these Financial Statements.

2.3 Revenue

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

2.4 Interest income

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

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

WORLD GOLF SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.7 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.8 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.9 Development costs

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Deferred research and development costs are reviewed annually and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the profit and loss account.

2.10 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

| | | |
|--------------------|---|-----|
| Tooling | - | 33% |
| Office equipment | - | 33% |
| Computer equipment | - | 50% |
| Other fixed assets | - | 15% |

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

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

WORLD GOLF SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.11 Debtors

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

2.12 Cash and cash equivalents

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

2.13 Creditors

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

2.14 Financial instruments

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

3. Employees

The average monthly number of employees, including directors, during the year was 3 (2018 - 3).

WORLD GOLF SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

4. Intangible assets

| | Trackball Development £ |
|-------------------------------------|-------------------------------|
| Cost | |
| At 1 January 2019 | 4,574,876 |
| Additions | 708,392 |
| At 31 December 2019 | <u>5,283,268</u> |
| Amortisation | |
| At 1 January 2019 | 2,356,237 |
| Charge for the year on owned assets | 342,102 |
| At 31 December 2019 | <u>2,698,339</u> |
| Net book value | |
| At 31 December 2019 | <u>2,584,929</u> |
| At 31 December 2018 | <u>2,218,639</u> |

WORLD GOLF SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. Tangible fixed assets

| | Plant and machinery £ | Office equipment £ | Computer equipment £ | Total £ |
|-------------------------------------|-----------------------------|--------------------------|----------------------------|---------------|
| Cost or valuation | | | | |
| At 1 January 2019 | 45,994 | 3,776 | 18,333 | 68,103 |
| Additions | - | - | 2,928 | 2,928 |
| At 31 December 2019 | <u>45,994</u> | <u>3,776</u> | <u>21,261</u> | <u>71,031</u> |
| Depreciation | | | | |
| At 1 January 2019 | 45,994 | 2,719 | 14,099 | 62,812 |
| Charge for the year on owned assets | - | 491 | 1,143 | 1,634 |
| At 31 December 2019 | <u>45,994</u> | <u>3,210</u> | <u>15,242</u> | <u>64,446</u> |
| Net book value | | | | |
| At 31 December 2019 | <u>-</u> | <u>566</u> | <u>6,019</u> | <u>6,585</u> |
| At 31 December 2018 | <u>-</u> | <u>1,057</u> | <u>4,234</u> | <u>5,291</u> |

6. Debtors

| | 2019 £ | 2018 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 443,238 | - |
| Other debtors | 52,778 | 3,653 |
| Prepayments and accrued income | 158,106 | 104,175 |
| Tax recoverable | 188,304 | 192,405 |
| | <u>842,426</u> | <u>300,233</u> |

7. Cash and cash equivalents

| | 2019 £ | 2018 £ |
|--------------------------|----------------|----------------|
| Cash at bank and in hand | <u>387,276</u> | <u>367,558</u> |

WORLD GOLF SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. Creditors: Amounts falling due within one year

| | 2019 £ | 2018 £ |
|------------------------------------|------------------|----------------|
| Other loans | 428,264 | - |
| Trade creditors | 279,062 | 100,616 |
| Other taxation and social security | 8,406 | 34,887 |
| Other creditors | 268,426 | 417,000 |
| Accruals and deferred income | 43,756 | 270,267 |
| | <u>1,027,914</u> | <u>822,770</u> |

9. Creditors: Amounts falling due after more than one year

| | 2019 £ | 2018 £ |
|-------------|----------------|-----------|
| Other loans | <u>525,000</u> | <u>-</u> |

10. Loans

Analysis of the maturity of loans is given below:

| | 2019 £ | 2018 £ |
|--|----------------|-----------|
| Amounts falling due within one year | | |
| Other loans | 428,264 | - |
| Amounts falling due 1-2 years | | |
| Other loans | 525,000 | - |
| | <u>953,264</u> | <u>-</u> |

11. Share capital

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Allotted; called up and fully paid | | |
| 45,097,042 (2018 - 45,097,042) Ordinary shares of £0.018764 each | <u>846,201</u> | <u>846,201</u> |

WORLD GOLF SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

12. Reserves

Share premium account

The share premium account includes the excess of the price paid for shares over their par value.

Profit and loss account

The profit and loss account includes all current and prior retained earnings.

13. Related party transactions

At the balance sheet date the Company owed a director £267,204 (2018 - £413,821) and a director owed the Company £35,778 (2018 - £Nil), no interest was charged on these loans.

Included in trade creditors at the balance sheet date is £77,000 (2018 - £48,000) owed to World Leisure Development Limited (WLD), company of which S P Jolliffe is a director. During the year £62,000 (2018 - £48,000) was charged for the services of S P Jolliffe as a director of World Golf Systems Limited.

Included in trade creditors at the balance sheet date is £66,000 (2018 - £48,000) owed to World Leisure Services Limited (WLS), company of which D V Jolliffe is a director. During the year £62,000 (2018 - £48,000) was charged for the services of D V Jolliffe as a director of World Golf Systems Limited.

During the year £20,000 (2018 - £Nil) was charged by R L Harding, Chairman, for consulting fees and is included within accruals.

At the balance sheet date the Company owed WLD £146,000 (2018 - £Nil) and WLS £48,000 (2018 - £Nil), no interest was charged on these loans.

14. Controlling party

In the opinion of the directors the company has no single controlling party.

15. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2019 was unqualified.

The audit report was signed on 23 December 2020 by Grant Franklin (Senior Statutory Auditor) on behalf of Hillier Hopkins LLP.