

**Strategic Report, Report of the Directors and  
Financial Statements  
for the Year Ended 31st December 2022  
for  
Simworx Limited**

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for the Year Ended 31st December 2022**

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**Simworx Limited**  
**Company Information**  
**for the Year Ended 31st December 2022**

**DIRECTORS:** T J Monkton  
A W Roberts

**SECRETARY:** T J Monkton

**REGISTERED OFFICE:** 37 Second Avenue  
The Pensnett Estate  
Kingswinford  
West Midlands  
DY6 7UL

**REGISTERED NUMBER:** 05389718 (England and Wales)

**AUDITORS:** Rice & Co Limited  
Chartered Accountants  
Statutory Auditors  
14a Market Place  
Uttoxeter  
Staffordshire  
ST14 8HP

**Strategic Report  
for the Year Ended 31st December 2022**

The directors present their strategic report for the year ended 31st December 2022.

**PRINCIPAL ACTIVITY**

The principal activity of the company is the design, manufacture and installation of media-based attractions for theme parks, museums and visitors attractions worldwide. The company has a product portfolio of thirteen media-based attractions, with a diverse range of experiences, prices and passenger capacities to ensure a wide market reach.

**REVIEW OF BUSINESS**

It was expected that in 2022 the Theme Park and Visitor Attractions industry would start to emerge from the COVID-19 closures in 2020 and 2021, bringing back demand for new attractions and the resumption of projects that had been put on hold. However, the Ukraine crisis, rising inflation, interest rates, energy and raw material costs, caused an element of uncertainty for attraction operators which, following 2 years of COVID-19 conditions, made many defer capital investments into new projects until they had completed a season's trading through to September 2022. Generally, theme park attendances and secondary spend was strong throughout the year, which led to parks confidence returning in Q4 2022.

The pipeline remained strong through 2022, but whilst several orders were secured Q1-Q3 2022 due to the above market conditions, these were not at the levels forecast. However Q4 2022 and throughout 2023 has seen stronger order intake suggesting that the industry has now returned to 'normal' trading conditions, with clients making capital project commitments

**Review of 2022 Results:**

Turnover for the financial year decreased by 47% to £2,836,214 (from £5,384,270 in 2021).

Staff Costs increased by 11% to £1,642,875 vs 2021 and, as a percentage of Turnover, staff costs increased to 58% from 27% in 2021.

Loss before Taxation was £1,958,236 compared to a loss of £61,061 for 2021.

**KEY PERFORMANCE INDICATORS**

The board of directors recognise Key Performance Indicators as an integral part of monitoring the progress of the business, and are identified in the Annual Budget with appropriate targets set. It is the responsibility of the management team to regularly monitor and review these figures and report the results and any corrective actions to the board.

The key performance indicators used to monitor the financial performance of the company include Operating Profit/Loss as a % of sales which closed the year on a 64% loss, decreasing from a 1% profit in the previous year.

As a project-based business the monitoring of the performance of the projects from a commercial, financial, and technical perspective is critical. The profitability of each individual project and the comparison to the expected profitability at the time of contract is closely monitored through a series of project reviews with corrective actions being put in place if required. Project debts are also monitored at these meetings.

**RESEARCH AND DEVELOPMENT ACTIVITIES**

Enhancements to existing rides within the portfolio, along with new product development is part of the ongoing investment by the company into research and development activities.

**Strategic Report  
for the Year Ended 31st December 2022**

**PRINCIPAL RISKS AND UNCERTAINTIES**

**Market Competitiveness**

Operating in a competitive market segment, it is important that the portfolio of rides remains market leading. New product development and existing product enhancement is a core activity of the group with significant resources devoted to it.

Establishing a proactive sales team to ensure that the group is well placed to secure orders in a truly worldwide market is also key. The group has significantly enhanced its sales network by adding a Business Development Director for the EMEA region, to focus on the increasing number of opportunities.

**Product Build Quality and Customer Satisfaction**

The company focuses on ensuring that its production and safety standards remain of the highest quality which ensures timely delivery of attractions to its customers. Close management of the supply chain along with a multi-sourcing policy ensures the supply of quality components and subassemblies. An in-house quality process together with the involvement of 3rd party safety and quality inspection bodies, such as TUV, further mitigates this risk.

Ensuring that the ride sold to the customer meets their specific requirements is a key focus in pre-contract negotiations and is re addressed at regular customer meetings throughout the project..

**Health and Safety**

Health and Safety is a key focus from board level down with the aim of achieving best practice not merely legal compliance. Specialist 3rd parties are used to support where required. The aim is a safe and healthy workplace for employees and visitors. Risk assessments and workplace training is undertaken in all areas of the business.

**Cyber**

There are clearly external potential threats to critical business systems. Controls over the systems exist with firewalls and virus protection software kept up to date. An In-house IT specialist as well as 3rd party expertise are utilised to support these activities.

**Other Risks**

Other external risks include global, political and economic conditions, foreign exchange, interest rates, credit risk and business continuity. The company seeks to mitigate exposure to all forms of risk, where practicable, and to transfer risk to insurers, where cost effective.

**FINANCIAL INSTRUMENTS**

The directors are constantly reviewing the objectives of the business operations to identify areas where it can reduce financial risk without hindrance to the business.

**Credit**

To counteract the risk of bad debts the business has increased the use of credit checking facilities to assess the risk of contracting with each customer. Letters of Credit are also used for significant milestone payments where this can be negotiated with the customer.

**Liquidity**

The business has a strong relationship with its providers of Finance. This has been evidenced by their support during the pandemic.

**Strategic Report  
for the Year Ended 31st December 2022**

**Hedging Forecast Transactions**

Currently the company's turnover is denominated in Sterling. Infrequently contracts are awarded in Euros and to a lesser extent US Dollars. These are only partially matched by purchases in these currencies. A significant weakening of the Euro against Sterling could have an impact upon the business's performance. If a contract is awarded in non-Sterling currency forward contracts will be put in place to mitigate this risk.

**Cash flow**

12-week Cash flow forecasts are prepared weekly. A 12-month Cash Forecast is prepared each month to identify any funding requirements the business may have with a degree of contingency for unforeseen events or potential changes to the assumptions of the forecasts, primarily on the timing of project receipts.

**FUTURE DEVELOPMENTS**

As stated earlier, enhancements to existing rides within the portfolio, along with new product development is part of the ongoing investment by the company into research and development activities.

The company will continue to expand its global sales representation as appropriate.

**ON BEHALF OF THE BOARD:**

T J Monkton - Secretary

26th September 2023

**Report of the Directors  
for the Year Ended 31st December 2022**

The directors present their report with the financial statements of the company for the year ended 31st December 2022.

**DIVIDENDS**

No dividends will be distributed for the year ended 31st December 2022.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1st January 2022 to the date of this report.

T J Monkton  
A W Roberts

**DISCLOSURE IN THE STRATEGIC REPORT**

Information regarding financial instruments and future developments is contained within the strategic report included in these financial statements.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Simworx Limited (Registered number: 05389718)**

**Report of the Directors  
for the Year Ended 31st December 2022**

**AUDITORS**

The auditors, Rice & Co Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

T J Monkton - Secretary

26th September 2023



## **Report of the Independent Auditors to the Members of Simworx Limited**

### **Opinion**

We have audited the financial statements of Simworx Limited (the 'company') for the year ended 31st December 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 Financial Reporting Standard 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 31st December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 Auditors' 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.

### **Conclusions relating to going concern**

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.

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.

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

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

## **Report of the Independent Auditors to the Members of Simworx Limited**

### **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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 Report of the Directors.

We have nothing to report in respect of the following matters where 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 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.

## **Report of the Independent Auditors to the Members of Simworx Limited**

### **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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we performed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud.
- Reviewing minutes of meetings of those charged with governance.
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management bias and override of controls including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to material misstatement in the financial statements or non-compliance with laws and regulations. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may include collusion, forgery, intentional omissions, misrepresentations, or override of the internal control.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of  
Simworx Limited**

**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 a Report of the Auditors 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.

Matthew Gibbs FCA (Senior Statutory Auditor)  
for and on behalf of Rice & Co Limited  
Chartered Accountants  
Statutory Auditors  
14a Market Place  
Uttoxeter  
Staffordshire  
ST14 8HP

26th September 2023

**Statement of Comprehensive  
Income  
for the Year Ended 31st December 2022**

	Notes	2022 £	2021 £
<b>TURNOVER</b>	4	<b>2,836,214</b>	5,384,270
Cost of sales		<u>2,662,593</u>	<u>3,511,290</u>
<b>GROSS PROFIT</b>		<b>173,621</b>	1,872,980
Administrative expenses		<u>2,076,929</u>	<u>2,048,186</u>
		<b>(1,903,308)</b>	<b>(175,206)</b>
Other operating income/expenses	5	<u>91,741</u>	<u>246,610</u>
<b>OPERATING (LOSS)/PROFIT</b>	7	<b>(1,811,567)</b>	71,404
Interest payable and similar expenses	8	<u>146,669</u>	<u>132,465</u>
<b>LOSS BEFORE TAXATION</b>		<b>(1,958,236)</b>	<b>(61,061)</b>
Tax on loss	9	<u>-</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b>(1,958,236)</b>	<b>(61,061)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><b>(1,958,236)</b></u>	<u><b>(61,061)</b></u>

The notes form part of these financial statements

**Simworx Limited (Registered number: 05389718)**

**Balance Sheet  
31st December 2022**

	Notes	2022 £	£	2021 £	£
<b>FIXED ASSETS</b>					
Intangible assets	10		<b>111,900</b>		134,790
Tangible assets	11		<b>51,348</b>		34,396
Investments	12		<b>33,000</b>		33,000
			<b>196,248</b>		202,186
<b>CURRENT ASSETS</b>					
Stocks	13	<b>1,023,231</b>		2,050,500	
Debtors	14	<b>4,313,234</b>		4,655,304	
Cash at bank		<b>93,458</b>		494,977	
		<b>5,429,923</b>		7,200,781	
<b>CREDITORS</b>					
Amounts falling due within one year	15	<b>2,677,090</b>		2,401,782	
<b>NET CURRENT ASSETS</b>			<b>2,752,833</b>		4,798,999
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>2,949,081</b>		5,001,185
<b>CREDITORS</b>					
Amounts falling due after more than one year	16		<b>(487,132)</b>		(661,000)
<b>PROVISIONS FOR LIABILITIES</b>	20		<b>(80,000)</b>		-
<b>NET ASSETS</b>			<b>2,381,949</b>		4,340,185
<b>CAPITAL AND RESERVES</b>					
Called up share capital	21		<b>2,132</b>		2,132
Share premium	22		<b>176,672</b>		176,672
Retained earnings	22		<b>2,203,145</b>		4,161,381
<b>SHAREHOLDERS' FUNDS</b>			<b>2,381,949</b>		4,340,185

The financial statements were approved by the Board of Directors and authorised for issue on 26th September 2023 and were signed on its behalf by:

T J Monkton - Director

The notes form part of these financial statements

**Simworx Limited (Registered number: 05389718)**

**Statement of Changes in Equity  
for the Year Ended 31st December 2022**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Share premium £</b>	<b>Total equity £</b>
<b>Balance at 1st January 2021</b>	2,132	4,222,442	176,672	4,401,246
<b>Changes in equity</b>				
Total comprehensive income	-	(61,061)	-	(61,061)
<b>Balance at 31st December 2021</b>	<u>2,132</u>	<u>4,161,381</u>	<u>176,672</u>	<u>4,340,185</u>
<b>Changes in equity</b>				
Total comprehensive income	-	(1,958,236)	-	(1,958,236)
<b>Balance at 31st December 2022</b>	<u>2,132</u>	<u>2,203,145</u>	<u>176,672</u>	<u>2,381,949</u>

The notes form part of these financial statements

**Cash Flow Statement  
for the Year Ended 31st December 2022**

	Notes	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(162,484)	(988,512)
Interest paid		(150,168)	(57,437)
Interest element of hire purchase payments paid		(875)	-
Net cash from operating activities		<u>(313,527)</u>	<u>(1,045,949)</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(10,928)	(108,145)
Purchase of tangible fixed assets		-	(2,876)
Sale of tangible fixed assets		-	4,617
Net cash from investing activities		<u>(10,928)</u>	<u>(106,404)</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		(146,533)	(431,625)
Hire purchase repayments		(21,178)	-
Movement in directors' current accounts		-	(138)
Movement in group loans		90,647	(696,220)
Net cash from financing activities		<u>(77,064)</u>	<u>(1,127,983)</u>
<b>Decrease in cash and cash equivalents</b>		<u>(401,519)</u>	<u>(2,280,336)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	494,977	2,775,313
<b>Cash and cash equivalents at end of year</b>	2	<u>93,458</u>	<u>494,977</u>

The notes form part of these financial statements



**Notes to the Cash Flow Statement  
for the Year Ended 31st December 2022**

**1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	<b>2022</b>	2021
	<b>£</b>	£
Loss before taxation	<b>(1,958,236)</b>	(61,061)
Depreciation charges	<b>85,332</b>	142,996
Profit on disposal of fixed assets	-	(4,617)
Grants - business interruption payments	-	(70,654)
Increase in provisions for liabilities	<b>80,000</b>	-
Finance costs	<b>146,669</b>	132,465
	<b>(1,646,235)</b>	139,129
Decrease/(increase) in stocks	<b>1,027,269</b>	(2,050,500)
Decrease in trade and other debtors	<b>302,265</b>	2,053,719
Increase/(decrease) in trade and other creditors	<b>154,217</b>	(1,130,860)
<b>Cash generated from operations</b>	<b><u>(162,484)</u></b>	<b><u>(988,512)</u></b>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31st December 2022**

	<b>31.12.22</b>	<b>1.1.22</b>
	<b>£</b>	£
Cash and cash equivalents	<b><u>93,458</u></b>	<b><u>494,977</u></b>

**Year ended 31st December 2021**

	<b>31.12.21</b>	<b>1.1.21</b>
	<b>£</b>	£
Cash and cash equivalents	<b><u>494,977</u></b>	<b><u>2,775,313</u></b>

**Notes to the Cash Flow Statement  
for the Year Ended 31st December 2022**

**3. ANALYSIS OF CHANGES IN NET DEBT**

	<b>At 1.1.22</b>	<b>Cash flow</b>	<b>Other non-cash changes</b>	<b>At 31.12.22</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Net cash</b>				
Cash at bank and in hand	<u>494,977</u>	<u>(401,519)</u>		<u>93,458</u>
	<u>494,977</u>	<u>(401,519)</u>		<u>93,458</u>
<b>Debt</b>				
Finance leases	-	21,178	-	(47,286)
Debts falling due within 1 year	(657,375)	(67,760)	-	(725,135)
Debts falling due after 1 year	<u>(661,000)</u>	<u>214,293</u>	-	<u>(446,707)</u>
	<u>(1,318,375)</u>	<u>167,711</u>	-	<u>(1,219,128)</u>
<b>Total</b>	<u>(823,398)</u>	<u>(233,808)</u>	-	<u>(1,125,670)</u>

**Notes to the Financial Statements  
for the Year Ended 31st December 2022**

**1. STATUTORY INFORMATION**

Simworx Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. STATEMENT OF COMPLIANCE**

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

**3. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

**Significant judgements and estimates**

In preparing these financial statements, the directors have had to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historic experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities. Actual results may differ from these estimates. The judgements, estimates and assumptions are:

**Tangible assets**

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

**Trade debtors**

At each reporting date, trade debtors are assessed for recoverability. If there is any evidence of impairment, the carrying amount is reduced to its recoverable amount. The impairment loss is recognised immediately in the statement of comprehensive income.

**Project accounting**

Project revenue and costs are recognised in the statement of comprehensive income by reference to the stage of completion of the project. At each reporting date, total project costs are projected to allow the correct proportion of profit to be recognised.

**Notes to the Financial Statements - continued  
for the Year Ended 31st December 2022**

**3. ACCOUNTING POLICIES - continued**

**Going concern**

2023 has seen a positive return to 'normality' within the theme park Industry following the pandemic and economic impact of the Ukraine crisis 2020-2022.

During 2023 the company has successfully secured sales of its major products including Flying Theatre, AGV Dark Ride, Metro of Time and Immersive Tunnel to a number of overseas clients. All of these products, in addition to Robocoaster, Stargazer and 4D Effects Cinema, in particular have a significant presence within the company's strong pipeline. In addition to the orders already secured during 2023, a further three projects are at the contract negotiation stage which are fully expected to be signed before the end of the year.

With forecast orders from the pipeline, combined with a recently appointed Business Development Director and further sales recruitment planned for 2024, the company is confident that it will return to the growth curve that was experienced pre-pandemic, with a significant increase in revenue and profitability expected in 2024.

The directors have prepared cash flow forecasts up to December 2024 which indicate that the company will have sufficient liquidity to meet its working capital requirements for a period of at least 12 months from the date of signing these financial statements. These forecasts have been prepared to reflect the current order book and the promising signs for 2024 and beyond. The key assumptions in the forecasts relate to the timing of contractual cashflows which are made in line with the experience of the business.

The directors of the company have reviewed the overall position and outlook in respect of these matters and are of the opinion that on the basis of the forecasts prepared and actions taken they are satisfied that the going concern basis is appropriate.

These financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover in respect of long-term contracts is recognised when a set stage, as specified in the contract for sale, has been completed.

All other turnover is recognised either when goods have been delivered to customers or services completed, such that risks and rewards of ownership have passed to them.

**Project contracts**

Project revenue and costs are recognised in the statement of comprehensive income by reference to the stage of completion of the project, to the extent that the project outcome can be estimated reliably. The stage of completion is measured by reference to set stages, as specified in the contract. An expected loss on a project is recognised immediately in the statement of comprehensive income.

Amounts recoverable on contracts are included in debtors and represent revenue recognised in excess of amounts invoiced. Amounts invoiced in excess of revenue recognised and costs recognised in excess of expenses incurred are included in creditors due within one year.

**Notes to the Financial Statements - continued  
for the Year Ended 31st December 2022**

**3. ACCOUNTING POLICIES - continued**

**Ride films**

Expenditure incurred on developing new ride films is capitalised in the balance sheet and amortised over its estimated useful life of five years. Amortisation is reported in the statement of comprehensive income under administrative expenses.

**Development costs**

Expenditure incurred on new products and improvements to the company's products is capitalised in the balance sheet as development costs and amortised over its estimated useful life of two to five years. Amortisation commences with the commercial introduction of the new product or incorporation of the improvement into the product and is reported in the statement of comprehensive income under administrative expenses.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- Straight line over 2 - 5 years
Fixtures and fittings	- Straight line over 2 - 4 years
Motor vehicles	- 25% on reducing balance
Office equipment	- Straight line over 2 - 4 years

Tangible fixed assets are capitalised at historical cost and net book values are reviewed annually to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the statement of comprehensive income.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Financial instruments**

Fixed asset investments in unlisted shares are initially recognised at cost with any impairment losses being reported in the statement of comprehensive income under administrative expenses.

Derivative financial instruments are recognised at fair value with any gains or losses being reported in the statement of comprehensive income under other operating income/expenses.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Notes to the Financial Statements - continued  
for the Year Ended 31st December 2022**

**3. ACCOUNTING POLICIES - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the reporting date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives and those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to statement of comprehensive income over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Debtors**

Short term debtors are measured at transaction price, less any impairment.

**Creditors**

Short term creditors are measured at 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.

**Notes to the Financial Statements - continued  
for the Year Ended 31st December 2022**

**4. TURNOVER**

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	<b>2022</b>	2021
	£	£
United Kingdom	<b>522,338</b>	828,481
Europe	<b>251,365</b>	1,423,191
Rest of the World	<b>2,062,511</b>	3,132,598
	<u><b>2,836,214</b></u>	<u>5,384,270</u>

Turnover includes project contract revenue recognised during the financial year of £2,370,216 (2021 - £5,165,711).

**5. OTHER OPERATING INCOME/EXPENSES**

	<b>2022</b>	2021
	£	£
Rents receivable	<b>51,640</b>	51,640
Sundry income	<b>36,000</b>	36,000
Government grants - coronavirus support	-	116,440
Foreign exchange gains/losses	<b>4,101</b>	42,530
	<u><b>91,741</b></u>	<u>246,610</u>

**6. EMPLOYEES AND DIRECTORS**

	<b>2022</b>	2021
	£	£
Wages and salaries	<b>1,351,420</b>	1,196,553
Social security costs	<b>161,107</b>	130,942
Other pension costs	<b>130,348</b>	151,942
	<u><b>1,642,875</b></u>	<u>1,479,437</u>

The average number of employees during the year was as follows:

	<b>2022</b>	2021
Directors	<b>2</b>	3
Direct	<b>11</b>	12
Sales and administration	<b>13</b>	11
	<u><b>26</b></u>	<u>26</u>

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2022

6. **EMPLOYEES AND DIRECTORS - continued**

	2022	2021
	£	£
Directors' remuneration	205,526	252,019
Directors' pension contributions to money purchase schemes	<u>66,121</u>	<u>78,728</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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Information regarding the highest paid director is as follows:

	2022	2021
	£	£
Emoluments etc	105,726	105,726
Pension contributions to money purchase schemes	<u>27,014</u>	<u>33,981</u>

Included in total payroll costs is £nil (2021 - £62,778) relating to redundancy payments and associated costs.

During the year ended 31st December 2022 a total of key management personnel compensation of £280,541 (2021 - £377,947) was paid.

7. **OPERATING (LOSS)/PROFIT**

The operating loss (2021 - operating profit) is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation - owned assets	34,396	57,610
Depreciation - assets on hire purchase contracts	17,116	-
Profit on disposal of fixed assets	-	(4,617)
Ride films amortisation	19,200	40,279
Development costs amortisation	14,618	45,107
Auditors' remuneration	9,750	9,250
Auditors' remuneration for non audit work	13,145	13,090
Foreign exchange differences	(4,101)	(42,530)
Operating lease payments	<u>134,903</u>	<u>167,101</u>



Notes to the Financial Statements - continued  
for the Year Ended 31st December 2022

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Loan interest	120,065	130,041
Other interest payable	25,729	2,424
Hire purchase interest	875	-
	<u>146,669</u>	<u>132,465</u>

9. TAXATION

**Analysis of the tax charge**

No liability to UK corporation tax arose for the year ended 31st December 2022 nor for the year ended 31st December 2021.

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2022	2021
	£	£
Loss before tax	<u>(1,958,236)</u>	<u>(61,061)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(372,065)	(11,602)
Effects of:		
Expenses not deductible for tax purposes	4,889	3,082
Capital allowances in excess of depreciation	(5,462)	-
Depreciation in excess of capital allowances	-	6,646
Losses carried forward	<u>372,638</u>	<u>1,874</u>
Total tax charge	<u>-</u>	<u>-</u>

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2022

10. INTANGIBLE FIXED ASSETS

	Goodwill £	Ride films £	Development costs £	Totals £
<b>COST</b>				
At 1st January 2022	118,000	545,470	514,746	1,178,216
Additions	-	-	10,928	10,928
At 31st December 2022	<u>118,000</u>	<u>545,470</u>	<u>525,674</u>	<u>1,189,144</u>
<b>AMORTISATION</b>				
At 1st January 2022	118,000	524,070	401,356	1,043,426
Amortisation for year	-	19,200	14,618	33,818
At 31st December 2022	<u>118,000</u>	<u>543,270</u>	<u>415,974</u>	<u>1,077,244</u>
<b>NET BOOK VALUE</b>				
At 31st December 2022	<u>-</u>	<u>2,200</u>	<u>109,700</u>	<u>111,900</u>
At 31st December 2021	<u>-</u>	<u>21,400</u>	<u>113,390</u>	<u>134,790</u>

Additions to development costs are internally generated.

Development costs include an improvement in entertainment attraction technology with a net book value at 31st December 2022 of £89,255 (2021 - £89,255). Amortisation will commence when the improvement is incorporated into the commercial production of the company's products.

11. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Totals £
<b>COST</b>					
At 1st January 2022	565,884	149,028	-	152,317	867,229
Additions	-	-	68,464	-	68,464
At 31st December 2022	<u>565,884</u>	<u>149,028</u>	<u>68,464</u>	<u>152,317</u>	<u>935,693</u>
<b>DEPRECIATION</b>					
At 1st January 2022	558,424	123,386	-	151,023	832,833
Charge for year	7,460	25,642	17,116	1,294	51,512
At 31st December 2022	<u>565,884</u>	<u>149,028</u>	<u>17,116</u>	<u>152,317</u>	<u>884,345</u>
<b>NET BOOK VALUE</b>					
At 31st December 2022	<u>-</u>	<u>-</u>	<u>51,348</u>	<u>-</u>	<u>51,348</u>
At 31st December 2021	<u>7,460</u>	<u>25,642</u>	<u>-</u>	<u>1,294</u>	<u>34,396</u>

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2022

11. **TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	<b>Motor vehicles £</b>
<b>COST</b>	
Additions	<u>68,464</u>
At 31st December 2022	<u>68,464</u>
<b>DEPRECIATION</b>	
Charge for year	<u>17,116</u>
At 31st December 2022	<u>17,116</u>
<b>NET BOOK VALUE</b>	
At 31st December 2022	<u>51,348</u>

12. **FIXED ASSET INVESTMENTS**

	<b>Unlisted investments £</b>
<b>COST</b>	
At 1st January 2022 and 31st December 2022	<u>33,000</u>
<b>NET BOOK VALUE</b>	
At 31st December 2022	<u>33,000</u>
At 31st December 2021	<u>33,000</u>

13. **STOCKS**

	<b>2022 £</b>	<b>2021 £</b>
Finished goods	<u>1,023,231</u>	<u>2,050,500</u>

14. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2022 £</b>	<b>2021 £</b>
Trade debtors	784,001	1,029,042
Amounts owed by group undertakings	3,366,281	3,406,086
VAT	659	-
Prepayments and accrued income	<u>162,293</u>	<u>220,176</u>
	<u>4,313,234</u>	<u>4,655,304</u>

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2022

14. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued**

All amounts shown under debtors fall due for payment within one year.

Impairments of debtors recognised in the income statement during the financial year amounted to £156,000 (2021 - £58,838).

Provisions for bad and doubtful debts at 31st December 2022 amounted to £156,000 (2021 - £57,301).

15. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022	2021
	£	£
Loans (see note 17)	725,135	657,375
Hire purchase contracts (see note 18)	6,861	-
Project accruals and deferred income	511,505	1,103,040
Trade creditors	671,810	271,773
Amounts owed to group undertakings	50,842	-
Social security and other taxes	522,170	128,259
VAT	-	35,776
Other creditors	-	10,211
Accruals and deferred income	188,767	195,348
	<u>2,677,090</u>	<u>2,401,782</u>

16. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2022	2021
	£	£
Loans (see note 17)	446,707	661,000
Hire purchase contracts (see note 18)	40,425	-
	<u>487,132</u>	<u>661,000</u>

17. **LOANS**

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Loans	<u>725,135</u>	<u>657,375</u>
Amounts falling due between one and two years:		
Loans	<u>405,040</u>	<u>360,204</u>

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2022

17. **LOANS - continued**

	2022	2021
	£	£
Amounts falling due between two and five years:		
Loans	<u>41,667</u>	<u>300,796</u>

18. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase	contracts
	2022	2021
	£	£
Gross obligations repayable:		
Within one year	7,693	-
Between one and five years	<u>41,230</u>	-
	<u>48,923</u>	-
Finance charges repayable:		
Within one year	832	-
Between one and five years	<u>805</u>	-
	<u>1,637</u>	-
Net obligations repayable:		
Within one year	6,861	-
Between one and five years	<u>40,425</u>	-
	<u>47,286</u>	-
	Non-cancellable	operating
	2022	2021
	£	£
Within one year	135,848	171,502
Between one and five years	<u>8,067</u>	<u>138,435</u>
	<u>143,915</u>	<u>309,937</u>

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2022

19. SECURED DEBTS

The following secured debts are included within creditors:

	2022	2021
	£	£
Loans	1,171,842	1,318,375
Hire purchase contracts	47,286	-
	<u>1,219,128</u>	<u>1,318,375</u>

Loans amounting to £1,171,842 (2021 - £1,318,375) are secured by a charge over all assets of the company.

20. PROVISIONS FOR LIABILITIES

	2022	2021
	£	£
Other provisions	<u>80,000</u>	<u>-</u>
		<b>Other provisions</b>
		£
Charge to Statement of Comprehensive Income during year		<u>80,000</u>
Balance at 31st December 2022		<u>80,000</u>

Other provisions relate to an estimate of the cost of warranties provided to customers over the company's projects. Claims are usually settled within three years.

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022	2021
			£	£
112,567	Ordinary	1p	1,126	1,126
100,643	"A" Ordinary	1p	1,006	1,006
			<u>2,132</u>	<u>2,132</u>

All shares rank pari passu in all respects.

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2022

22. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1st January 2022	4,161,381	176,672	4,338,053
Deficit for the year	<u>(1,958,236)</u>		<u>(1,958,236)</u>
At 31st December 2022	<u>2,203,145</u>	<u>176,672</u>	<u>2,379,817</u>

Retained earnings consists of all current and prior period retained profits and losses.

Share premium represents amounts paid for the company's share capital in excess of the nominal value of the corresponding shares.

23. CONTINGENT LIABILITIES

The company has provided a guarantee over creditors of Media Based Attractions Limited, the company's parent undertaking, amounting to £1,666,000 (2021- £1,666,000).

24. PARENT AND ULTIMATE PARENT COMPANY

The company's parent and ultimate parent undertaking is Media Based Attractions Limited, a company registered in England and Wales. Consolidated financial statements are prepared for the group controlled by Media Based Attractions Limited and that company's registered office is 37 Second Avenue, The Pensnett Estate, Kingswinford, West Midlands DY6 7UL.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.