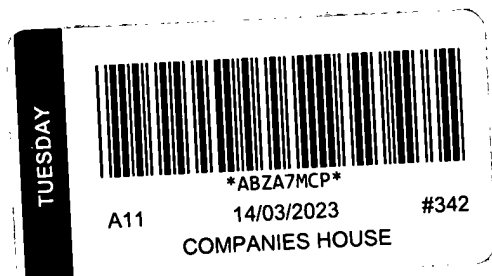

SKYHAWKE TECHNOLOGIES UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



SKYHAWKE TECHNOLOGIES UK LIMITED

COMPANY INFORMATION

Directors	Richard Edmonson Robert Spell William J Faulkner Jnr
Registered number	05790432
Registered office	Haddenham Business Park No 10 C-E Pegasus Way Haddenham Buckinghamshire HP17 8LJ
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor The Pinnacle 160 Midsummer Boulevard Milton Keynes MK9 1FF

SKYHAWKE TECHNOLOGIES UK LIMITED

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Directors present their report and the financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 Section 1A small entities 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

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

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

Results and dividends

The loss for the year, after taxation, amounted to £154,032 (2021 - profit £242,640).

No dividends were paid in the year (2021 - £Nil) and the Directors do not recommend payment of a final dividend.

Directors

The Directors who served during the year and to the date of this report were:

Richard Edmonson
Robert Spell
William J Faulkner Jnr

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Directors have taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Economic impact of global events

UK businesses are currently facing many uncertainties such as the consequences of Brexit, COVID-19, environmental sustainability and geopolitical events such as the Russian invasion of Ukraine. These uncertainties have contributed to an environment where there exists a range of issues and risks, including inflation, rising interest rates, labour shortages, disrupted supply chains and new ways of working.

The Directors consider that the greatest impact on the business is expected to be from the economic ripple effect on the global economy. The Directors have taken account of these potential impacts in their going concern assessment

Post balance sheet events

There have been no significant post balance sheet events.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



William J Faulkner Jnr
Director

Date: March 10, 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SKYHAWKE TECHNOLOGIES UK LIMITED

Opinion

We have audited the financial statements of Skyhawk Technologies UK Limited (the 'Company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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 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 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SKYHAWKE TECHNOLOGIES UK LIMITED

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 contained within the annual report. 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.

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 course of 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.

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SKYHAWKE TECHNOLOGIES UK LIMITED

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 intend either to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

Based on our understanding of the Company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, UK tax legislation, anti-money laundering legislation, health and safety regulations and UK general data protection regulations.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation and the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SKYHAWKE TECHNOLOGIES UK LIMITED

In addition, we evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit 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.

TCooke

Thomas Cooke (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date: Mar 10, 2023

SKYHAWKE TECHNOLOGIES UK LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover		2,884,081	5,999,741
Cost of sales		(2,181,181)	(4,904,651)
Gross profit		<u>702,900</u>	<u>1,095,090</u>
Administrative expenses		(894,102)	(798,899)
Operating (loss)/profit		<u>(191,202)</u>	<u>296,191</u>
Interest payable and similar expenses		-	(651)
(Loss)/profit before tax		<u>(191,202)</u>	<u>295,540</u>
Tax on (loss)/profit	5	37,170	(52,900)
(Loss)/profit for the financial year		<u><u>(154,032)</u></u>	<u><u>242,640</u></u>

There was no other comprehensive income for 2022 (2021: £NIL).

The notes on pages 11 to 23 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible fixed assets	6	4,248	11,749
Tangible fixed assets	7	3,278	8,146
		<u>7,526</u>	<u>19,895</u>
Current assets			
Stocks	8	302,162	473,507
Debtors: amounts falling due after more than one year	9	13,575	13,250
Debtors: amounts falling due within one year	9	304,785	643,443
Cash and cash equivalents		804,370	1,111,437
		<u>1,424,892</u>	<u>2,241,637</u>
Creditors: amounts falling due within one year	10	(548,705)	(1,186,929)
Net current assets		<u>876,187</u>	<u>1,054,708</u>
Total assets less current liabilities		<u>883,713</u>	<u>1,074,603</u>
Creditors: amounts falling due after more than one year	11	(115,552)	(147,250)
Provisions for liabilities			
Other provisions	13	(5,132)	(10,292)
		<u>(5,132)</u>	<u>(10,292)</u>
Net assets		<u><u>763,029</u></u>	<u><u>917,061</u></u>
Capital and reserves			
Called up share capital	14	2	2
Share premium account	15	382,123	382,123
Retained earnings	15	380,904	534,936
		<u><u>763,029</u></u>	<u><u>917,061</u></u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2022

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 were approved and authorised for issue by the board and were signed on its behalf on



William J Faulkner Jnr
Director

March 10, 2023

The notes on pages 11 to 23 form part of these financial statements.

SKYHAWKE TECHNOLOGIES UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Share premium account	Retained earnings	Total equity
	£	£	£	£
At 1 January 2022	2	382,123	534,936	917,061
Comprehensive income for the year				
Loss for the year	-	-	(154,032)	(154,032)
Total comprehensive income for the year	-	-	(154,032)	(154,032)
At 31 December 2022	<u>2</u>	<u>382,123</u>	<u>380,904</u>	<u>763,029</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium account	Retained earnings	Total equity
	£	£	£	£
At 1 January 2021	2	382,123	292,296	674,421
Comprehensive income for the year				
Profit for the year	-	-	242,640	242,640
Total comprehensive income for the year	-	-	242,640	242,640
At 31 December 2021	<u>2</u>	<u>382,123</u>	<u>534,936</u>	<u>917,061</u>

The notes on pages 11 to 23 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

Skyhawk Technologies UK Limited ('the Company') is a private limited Company, limited by shares and incorporated in the United Kingdom. The address of its registered office and principal place of business is Haddenham Business Park, No 10 C-E, Pegasus Way, Haddenham, Buckinghamshire, HP17 8LJ. The Company's registered number is 05790432.

The principal activity of the Company is primarily the wholesale and retail sales of golf GPS equipment and simulators.

These financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the Company operates. Monetary amounts in these financial statements have been rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

In accordance with FRS 102 (Paragraph 1.12), the Company is exempt, as a wholly owned subsidiary, from the requirement to prepare a cash flow statement.

The following principal accounting policies have been applied:

2.2 Going concern

The Directors have considered the budgets and cash flow forecasts for the Company and believe the Company will be able to meet its liabilities as they fall due for at least 12 months from signing of these financial statements, and so the financial statements have been prepared on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

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. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

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

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

2.4 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.

Amortisation is provided on the following bases:

Computer software	-	33 % Straight line
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Amortisation is charged to administrative expenses within the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.5 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:

S/Term Leasehold Property	- 20% straight line
Other fixed assets	- 25% straight line

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.

Depreciation is charged in administrative expenses in the the Statement of Comprehensive Income.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

2.7 Financial Instruments

Financial assets and liabilities are recognised when the Company becomes party to the contractual provisions of the financial instrument. The Company holds basic financial instruments, which comprise cash and cash equivalents, trade and other receivables, trade and other payables and loans and borrowings. The Company has chosen to apply the provisions of Section 11 Basic Financial Instruments.

2.8 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.9 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.

2.10 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.

2.11 Equity

Equity instruments are classified in accordance with the substance of the contractual agreement. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

2.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

2.13 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.14 Leases

Lease arrangements are classified as a finance lease where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other lease arrangements are classified as an operating lease.

Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.15 Pensions

Defined contribution pension plan

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

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

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that *probably requires settlement by a transfer of economic benefit*, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.17 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

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

The Directors do not consider there to be any significant judgements or areas of management estimation in these financial statements.

4. Employees

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

	2022 No.	2021 No.
Average number of employees	<u>11</u>	<u>10</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on (loss)/profit for the year	-	56,787
Adjustments in respect of previous periods	(35,951)	(2,899)
	(35,951)	53,888
Total current tax	(35,951)	53,888
Deferred tax		
Origination and reversal of timing differences	(927)	27
Changes to tax rates	(292)	(1,015)
Total deferred tax	(1,219)	(988)
Taxation on (loss)/profit on ordinary activities	(37,170)	52,900

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
(Loss)/profit on ordinary activities before tax	191,202	295,540
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(36,293)	56,697
Effects of:		
Utilisation of tax losses	79	95
Rollover relief on profit on disposal of fixed assets	-	16
Losses carried back	35,287	-
Adjustments to tax charge in respect of prior periods	(35,951)	(2,899)
Remeasurement of deferred tax for changes in tax rates	(292)	(1,009)
Total tax (credit)/charge for the year	(37,170)	52,900

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. Taxation (continued)**Factors that may affect future tax charges**

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom would increase from 19% to 25%. Companies with profits of £50,000 or less would continue to be taxed at 19%, which was a new small profits rate. Where taxable profits were between £50,000 and £250,000, the higher 25% rate would apply but with a marginal relief applying as profits increased. Deferred tax is provided for at 25% as that was the substantially enacted rate at the reporting date.

6. Intangible assets

	Computer software £
Cost	
At 1 January 2022	22,090
At 31 December 2022	<u>22,090</u>
Amortisation	
At 1 January 2022	10,342
Charge for the year	7,500
At 31 December 2022	<u>17,842</u>
Net book value	
At 31 December 2022	<u>4,248</u>
At 31 December 2021	<u>11,749</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

7. Tangible fixed assets

	S/Term Leasehold Property £	Other fixed assets £	Total £
Cost			
At 1 January 2022	27,890	174,026	201,916
Additions	-	287	287
At 31 December 2022	27,890	174,313	202,203
Depreciation			
At 1 January 2022	27,390	166,380	193,770
Charge for the year	500	4,655	5,155
At 31 December 2022	27,890	171,035	198,925
Net book value			
At 31 December 2022	-	3,278	3,278
At 31 December 2021	500	7,646	8,146

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

8. Stocks

	2022 £	2021 £
Goods for resale	302,162	473,507

Stock recognised in Cost of Sales during the year as an expense was £958,643 (2021 - £4,574,190).

9. Debtors

	2022 £	2021 £
Due after more than one year		
Other debtors	13,575	13,250

	2022 £	2021 £
Due within one year		
Trade debtors	77,290	92,992
Amounts owed by group undertakings	152,922	476,140
Other debtors	69,151	70,108
Deferred taxation	5,422	4,203
	304,785	643,443

Amounts owed by group undertakings are repayable on demand, unsecured and interest free

10. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	59,109	60,243
Amounts owed to group undertakings	-	318,181
Corporation tax	-	56,814
Other taxation and social security	137,739	184,982
Other creditors	13,037	44,892
Accruals and deferred income	338,820	521,817
	548,705	1,186,929

Amounts owed to group undertakings are repayable on demand, unsecured and interest free.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

	2022 £	2021 £
Accruals and deferred income	115,552	147,250

12. Deferred taxation

	2022 £	2021 £
At beginning of year	4,203	3,215
Credited to profit and loss	1,219	988
At end of year	5,422	4,203

The deferred tax asset is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	208	(797)
Short term timing differences	5,214	5,000
	5,422	4,203

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

13. Provisions

	Retro provision £	Warranty provision £	Total £
At 1 January 2022	2,483	7,809	10,292
Utilised in year	(1,968)	(3,192)	(5,160)
At 31 December 2022	515	4,617	5,132

Retro provision

The retro provision is a retrospective sales discount to be given to specific customers in line with contractual terms.

Warranty provision

This is a provision for probable warranty claims to be made based on historic receipt of claims.

14. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
2 (2021 -2) Ordinary shares of £1 each	2	2

Ordinary shares carry voting rights, but no right to fixed income.

15. Reserves

Share premium account

This reserve represents the amount above the nominal value received for issued share capital, less transaction costs.

Retained earnings

This reserve represents cumulative profits and losses.

16. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £14,839 (2021 - £24,726). There were no outstanding contributions (2021 - £Nil) payable to the fund at the year end date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Land and buildings		
Not later than 1 year	49,191	49,191
Later than 1 year and not later than 5 years	68,329	117,520
	<u>117,520</u>	<u>166,711</u>

18. Related party transactions

The Company has taken advantage of the exemption available in accordance with Section 33 of Financial Reporting Standard 102 not to disclose transactions entered into between two or more members of the group, as the Company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.

19. Post balance sheet events

There have been no significant post balance sheet events.

20. Controlling party

The Company's controlling party is its parent Company, Skyhawk Technologies LLC, a Company incorporated in the United States of America. The address of its registered office is Ridgeland Technology Center, Suite M, 274 Commerce Park Drive, Ridgeland, MS 39157, United States.

The financial statements are publicly available from SkyGolf Corporate Headquarters, P.O. Box 2960, Ridgeland, MS 39158.