

Registered number: 07490658

RIDERCAM SYSTEMS LIMITED
FINANCIAL STATEMENTS
PERIOD ENDED 31 DECEMBER 2017

RPG CROUCH CHAPMAN LLP
Chartered Accountants
62 Wilson Street
London
EC2A 2BU

RIDERCAM SYSTEMS LIMITED

COMPANY INFORMATION

Directors	D P C Berger R N H Jones J Scheberg C Jones (resigned 20 October 2016)
Registered number	07490658
Registered office	62 Wilson Street London EC2A 2BU
Independent auditors	RPG Crouch Chapman LLP Chartered Accountants & Statutory Auditors 62 Wilson Street London EC2A 2BU

RIDERCAM SYSTEMS LIMITED

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RIDERCAM SYSTEMS LIMITED

STRATEGIC REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2017

Introduction

Ridercam Systems Limited was established in order to invest in the development and installation of high quality photo and video capturing technologies for roller coasters around the world.

Business review

These accounts reflect an 18-month period of further investment in systems installations at Movie World, Australia and new installs with Vekoma at Zoo Emmen in the Netherlands.

In Movie World we completed the installation of a video system on a ride called Doomsday, adding to the install on Batwing and in November 2017 we installed our video systems on one of the most extreme new coasters in the world called Hyperloop, manufactured by Mack Rides. We are pleased to report that the Hyperloop system went live in January 2018 and sold 2,238 movies at \$25. This was significantly above our financial projections of 1,800 movies. We believe that this install proves the revenue potential of our video system on coasters. Sales on this ride have continued to out perform our expectations during 2018

More significantly 2017 saw the Company pivot its commercial strategy. The Company always believed that the fastest route to market was to partner with the souvenir operators like Kodak and Magic Memories over relationships directly with Theme Parks. Ridercam over the past 8 years have built strong relationships with the Coaster manufacturers and has become the go to Video system provider of choice. This network has now opened up the market to engage directly with Theme Parks. Your company signed a business development agreement with Vekoma, the worlds largest coaster manufacturer in the period whereby Vekoma introduces Ridercam to all Theme Parks looking to buy new coasters with a video system. In return Vekoma will be paid a 10% commission on sales, but more importantly enabling Ridercam to secure revenue share deals of circa 45% with the Theme Parks. Since the year end your company successfully signed it first direct Theme Park agreement with Fantawild – China's largest Park operator and the world's sixth largest operator. This is a major breakthrough for the commercial development of Ridercam.

Principal risks and uncertainties

Management has performed detailed market research to ascertain that there is a marketplace for this product currently under development such that the risk of developing a product with no marketplace is not the case. The Company now has tangible agreements to bring the technology to market.

This report was approved by the board on 11 September 2018 and signed on its behalf.


.....
D P C Berger
Director

RIDERCAM SYSTEMS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the period ended 31 December 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Directors

The directors who served during the period were:

D P C Berger
R N H Jones
J Scheberg
C Jones (resigned 20 October 2016)

Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has 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 auditors are aware of that information.

RIDERCAM SYSTEMS LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2017

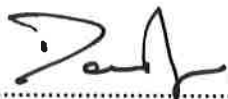
Auditors

The auditors, RPG Crouch Chapman 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 on 11 September 2018 and signed on its behalf.



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D P C Berger
Director

RIDERCAM SYSTEMS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF RIDERCAM SYSTEMS LIMITED

Opinion

We have audited the financial statements of Ridercam Systems Limited (the 'Company') for the period ended 31 December 2017, which comprise the Statement of Profit or Loss and Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, 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 31 December 2017 and of its loss for the period 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 United Kingdom, including the Financial Reporting Council'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.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

RIDERCAM SYSTEMS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF RIDERCAM SYSTEMS LIMITED (CONTINUED)

Conclusions relating to going concern

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

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

Emphasis of matter

The company is currently in the process of listing on a lower-tier Swedish stock market. Its ability to attract future investment to fund ongoing development is based on obtaining this listing and is therefore intrinsic to the company's ability to continue as a going concern.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

RIDERCAM SYSTEMS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF RIDERCAM SYSTEMS LIMITED
(CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

RIDERCAM SYSTEMS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF RIDERCAM SYSTEMS LIMITED
(CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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 Auditors' Report.

S Johnson

Steven Johnson BEng (Hons) FCCA (Senior statutory auditor)

for and on behalf of
RPG Crouch Chapman LLP

Chartered Accountants
Statutory Auditors

62 Wilson Street
London

EC2A 2BU

Date: 11 September 2018

RIDERCAM SYSTEMS LIMITED

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Revenue	4	11,138	5,281
Gross profit		<u>11,138</u>	<u>5,281</u>
Administrative expenses		(1,712,791)	(560,857)
Operating loss	5	<u>(1,701,653)</u>	<u>(555,576)</u>
Finance costs	8	(76,835)	(17,264)
Loss before tax		<u>(1,778,488)</u>	<u>(572,840)</u>
Tax on loss		17,414	-
Loss for the financial period		<u><u>(1,761,074)</u></u>	<u><u>(572,840)</u></u>

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of profit or loss and comprehensive income.

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 12 to 22 form part of these financial statements.

RIDERCAM SYSTEMS LIMITED
REGISTERED NUMBER:07490658

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	31 December 2017 £	30 June 2016 £
Fixed assets			
Intangible assets	9	534,608	339,017
Property, plant and equipment	10	231	9,621
Investments	11	1,000	1,000
		<u>535,839</u>	<u>349,638</u>
Current assets			
Trade and other receivables	12	23,164	534,473
Cash and cash equivalents	13	1,119	246
		<u>24,283</u>	<u>534,719</u>
NON-CURRENT LIABILITIES			
Trade and other payables	14	(388,543)	(111,012)
Net current (liabilities)/assets		<u>(364,260)</u>	<u>423,707</u>
Total assets less current liabilities		<u>171,579</u>	<u>773,345</u>
NON-CURRENT LIABILITIES			
Trade and other payables	15	(30,000)	(35,000)
Net assets		<u><u>141,579</u></u>	<u><u>738,345</u></u>
Capital and reserves			
Called up share capital	18	223	190
Share premium account	19	2,998,794	1,917,297
Warrant provision	19	82,778	-
Retained earnings	19	(2,940,216)	(1,179,142)
		<u>141,579</u>	<u>738,345</u>

The Company's financial statements have been prepared in accordance with the 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 on 11 September 2018



D P C Berger
Director

The notes on pages 12 to 22 form part of these financial statements.

RIDERCAM SYSTEMS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2017

	Share capital	Share premium account	Warrant provision	Retained earnings	Total
	£	£	£	£	£
Balance at 1 July 2015	190	1,917,297	-	(1,179,142)	738,345
Comprehensive income for the period					
Loss for the period	-	-	-	(1,761,074)	(1,761,074)
Movement in warrant provision	-	-	82,778	-	82,778
Shares issued during the period	34	1,081,497	-	-	1,081,531
Balance at 30 June 2016	<u>224</u>	<u>2,998,794</u>	<u>82,778</u>	<u>(2,940,216)</u>	<u>141,580</u>

The notes on pages 12 to 22 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2016

	Share capital	Share premium account	Retained earnings	Total
	£	£	£	£
Balance at 1 July 2014	143	728,464	(606,302)	122,305
Comprehensive income for the year				
Loss for the year	-	-	(572,840)	(572,840)
Shares issued during the year	47	1,188,833	-	1,188,880
Balance at 30 June 2015	<u>190</u>	<u>1,917,297</u>	<u>(1,179,142)</u>	<u>738,345</u>

The notes on pages 12 to 22 form part of these financial statements.

RIDERCAM SYSTEMS LIMITED

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2017

	31 December 2017 £	30 June 2016 £
Cash flows from operating activities		
Loss for the financial period	(1,761,074)	(572,840)
Adjustments for:		
Amortisation of intangible assets	757,328	222,721
Depreciation of tangible assets	15,531	9,620
Interest paid	76,835	17,264
Taxation charge	(17,414)	-
Decrease/(increase) in debtors	511,309	(516,600)
Increase in creditors	140,121	23,735
Warrant provision	82,778	-
Corporation tax received	17,414	-
Net cash generated from operating activities	<u>(177,172)</u>	<u>(816,100)</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(952,919)	(348,887)
Purchase of tangible fixed assets	(6,141)	-
Purchase of fixed asset investments	-	(1,000)
Net cash from investing activities	<u>(959,060)</u>	<u>(349,887)</u>
Cash flows from financing activities		
Issue of ordinary shares	34	47
Share premium	1,081,496	1,188,832
Repayment of loans	(5,000)	(2,500)
Convertible loan notes	134,564	-
Interest paid	(76,835)	(17,264)
Net cash used in financing activities	<u>1,134,259</u>	<u>1,169,115</u>
Net (decrease)/increase in cash and cash equivalents	(1,973)	3,128
Cash and cash equivalents at beginning of period	127	(3,001)
Cash and cash equivalents at the end of period	<u>(1,846)</u>	<u>127</u>
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	1,119	246
Bank overdrafts	(2,965)	(119)
	<u>(1,846)</u>	<u>127</u>

The notes on pages 12 to 22 form part of these financial statements.

RIDERCAM SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

1. General information

Ridercam Systems Limited is a private limited company, limited by shares and registered in England & Wales.

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

The principal activity of the company was that of the development and installation of photo and video equipment for roller coasters.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs), IFRIC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRSs. The financial statements have been prepared under the historical cost convention.

2.2 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.3 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.

The estimated useful lives range as follows:

Development expenditure	-	3	years
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2.4 Property, plant and equipment

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:

Other fixed assets	-	33%
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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 the Statement of Profit or loss and Comprehensive Income.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.6 Trade and other receivables

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 PERIOD ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.7 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.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.8 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.

2.9 Trade and other payables

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.

2.10 Borrowing 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.

2.11 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.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 July 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.12 Share capital

All borrowing costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.13 Taxation

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.

2.14 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

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

The Corporation uses the Black Scholes Option Pricing Model for valuation of warrant derivatives. Option pricing models require the input of subjective assumptions including expected share price volatility and the annual risk free interest rate which have been assessed by management.

4. Revenue

The whole of the turnover is attributable to provision of video production activities.

5. Operating loss

The operating loss is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets	15,531	9,620
Amortisation of intangible assets, including goodwill	757,328	222,721
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	8,500	8,500
Other operating lease rentals	49,995	13,476
	<u>831,354</u>	<u>254,317</u>

RIDERCAM SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

6. Auditors' remuneration

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>8,500</u>	<u>8,500</u>

7. Employees

Staff costs were as follows:

The average monthly number of employees, including the directors, during the period was as follows:

	2017 No.	2016 No.
Staff	1	1
Directors	3	3
	<u>4</u>	<u>4</u>

8. Finance costs

	2017 £	2016 £
Bank interest payable	6,647	114
Other loan interest payable	13,071	17,150
Other interest payable	57,117	-
	<u>76,835</u>	<u>17,264</u>

RIDERCAM SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

9. Intangible assets

	Development £
Cost	
At 1 July 2016	770,242
Additions	952,919
At 31 December 2017	<u>1,723,161</u>
Amortisation	
At 1 July 2016	431,225
Charge for the year	757,328
At 31 December 2017	<u>1,188,553</u>
Net book value	
At 31 December 2017	<u>534,608</u>
At 30 June 2016	<u>339,017</u>

RIDERCAM SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

10. Property, plant and equipment

	On-ride Equipment £
Cost or valuation	
At 1 July 2016	147,299
Additions	6,141
At 31 December 2017	<u>153,440</u>
Depreciation	
At 1 July 2016	137,678
Charge for the period on owned assets	15,531
At 31 December 2017	<u>153,209</u>
Net book value	
At 31 December 2017	<u>231</u>
At 30 June 2016	<u>9,621</u>

11. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2016	1,000
At 31 December 2017	<u>1,000</u>
Net book value	
At 31 December 2017	<u>1,000</u>
At 30 June 2016	<u>1,000</u>

RIDERCAM SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

12. Trade and other receivables

	31 December 2017 £	30 June 2016 £
Trade receivables	153	-
Other receivables	23,011	534,473
	<u>23,164</u>	<u>534,473</u>

13. Cash and cash equivalents

	31 December 2017 £	30 June 2016 £
Cash at bank and in hand	1,119	246
Less: bank borrowings	(2,965)	(119)
	<u>(1,846)</u>	<u>127</u>

RIDERCAM SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

14. Trade and other payables: Amounts falling due within one year

	31 December 2017 £	30 June 2016 £
Bank borrowings	2,965	119
Convertible loan notes	134,564	-
Trade payables	39,744	32,917
Accruals and deferred income	70,072	48,376
Other payables	141,198	29,600
	<u>388,543</u>	<u>111,012</u>

In March 2017 the company created up to £200,000 convertible unsecured loan notes with a warrant derivative. The loan notes have an interest rate of 10% and two conversion dates being the earlier of a listing on a stock exchange, or twelve months after issue date. On conversion, the loan note holder holds a warrant which entitles the holder to purchase the same number of shares as held as loan notes at par. At the balance sheet date 407,775 loan notes were issued at a conversion price of £0.40 per share. No loan notes were converted as at the balance sheet date.

The Directors have used the Black Scholes valuation model to value the warrants held; basing the valuation on metrics from listed entities in the same industry. The assumptions used in the calculation were as follows:

- Risk free interest rate: 1%
- Annualised volatility 69%

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

	31 December 2017 £	30 June 2016 £
Other loans	30,000	35,000
	<u>30,000</u>	<u>35,000</u>

RIDERCAM SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

16. Loans

Analysis of the maturity of loans is given below:

	31 December 2017 £	30 June 2016 £
Amounts falling due within one year		
Other loans	134,564	-
	<u>134,564</u>	<u>-</u>
Amounts falling due 2-5 years		
Other loans	30,000	35,000
	<u>30,000</u>	<u>35,000</u>
	<u>164,564</u>	<u>35,000</u>

17. Financial instruments

	31 December 2017 £	30 June 2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	1,119	246
	<u>1,119</u>	<u>246</u>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

18. Called up share capital

	31 December 2017 £	30 June 2016 £
Allotted, called up and fully paid		
22,344,546 (2016 -18,961,896) Ordinary shares of £0.00001 each	223	190
	<u>223</u>	<u>190</u>

Ordinary shares carry one voting right per share and carry a right to dividends.

RIDERCAM SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

18. Called up share capital (continued)

During the period a further 3,382,650 ordinary shares were allotted.

19. Reserves

Share premium account

Share premium accounts represents the amount subscribed for share capital in excess of nominal value less costs directly attributable to the issue of shares.

Other reserves

Warrant provision of warrants not exercised.

Profit and loss account

The retained earnings consists of company's accumulated profits and losses less dividends paid.

20. Controlling party

The Company is controlled collectively by its shareholders with no one overall controlling party.

RIDERCAM SYSTEMS LIMITED

DETAILED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2017

	31 December 2017 £	30 June 2016 £
Note		
Turnover	11,138	5,281
Gross profit	<u>11,138</u>	<u>5,281</u>
Less: overheads		
Administration expenses	(1,712,790)	(560,858)
Operating loss	(1,701,652)	(555,577)
Finance costs	(76,836)	(17,263)
Tax on profit on ordinary activities	17,414	-
Loss for the period/year	<u>(1,761,074)</u>	<u>(572,840)</u>

RIDERCAM SYSTEMS LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

	31 December 2017 £	30 June 2016 £
Turnover		
Sales	11,138	5,281
	<u>11,138</u>	<u>5,281</u>
	31 December 2017 £	30 June 2016 £
Administration expenses		
Rent	49,995	13,476
Hotels, travel and subsistence	2,079	1,560
Postage	227	923
Telephone and fax	4,886	1,875
General office expenses	2,611	5,099
Advertising and promotion	11,818	-
Entertainment	2,708	1,512
Accountancy fees	38,975	2,860
Auditors' remuneration	8,500	8,500
Legal and professional	799,042	291,268
Bank charges	1,211	1,444
Insurances	17,879	-
Depreciation - plant and machinery	15,531	9,620
Amortisation - intangible fixed assets	757,328	222,721
	<u>1,712,790</u>	<u>560,858</u>
	31 December 2017 £	30 June 2016 £
Interest payable		
Bank overdraft interest payable	(6,648)	(113)
Other loan interest payable	(13,071)	(17,150)
Other interest - on warrant provision	(57,117)	-
	<u>76,836</u>	<u>17,263</u>

