Parent company accounts of Omniperception Ltd Co# 04196519 note page 43

REGISTERED NUMBER: 10900066 (England and Wales)

Report of the Directors and

Financial Statements for the year ended 31 March 2022

for

Project Gateway Topco Limited

Contents of the Financial Statements
For the period ended 31 March 2022

Company Information
for the year ended 31 March 2022

DIRECTORS:	Zak Doffman Crevan O'Grady Stuart Purves Marco Sodi
REGISTERED OFFICE:	Milton Gate 60 Chiswell Street London United Kingdom EC1Y 4AG
REGISTERED NUMBER:	10900066 (England and Wales)
INDEPENDENT AUDITORS:	BDO LLP 55 Baker Street London United Kingdom W1U 7EU

Strategic Report

for the year ended 31 March 2022

The directors present their Strategic Report of Project Gateway Topco Limited for the year ended 31 March 2022.

Financial Review

Project Gateway Topco Limited consolidates the group of companies operating under the trading name "Digital Barriers" (hereafter "the Group" or "Digital Barriers"), which provides software solutions and cloud services to manage, capture, analyse and stream live video, enabling actionable intelligence to be delivered where it's needed, when it's needed.

For the year ended 31 March 2022, the Group achieved Adjusted EBITDA loss (which includes amongst other: earnings before interest, tax, depreciation, amortisation, goodwill impairment, re-organisation costs, exceptional inventory write-down, exceptional bad debt, exchange gains/losses) of £1.3 million on revenues of £13.1 million (year ended 31 March 2021: £2.2 million on revenues of £26.5 million). The operating loss was £10.0 million (31 March 2021: loss of £0.7 million). The revolving credit facility (net of fees) at 31 March 2022 was £5.0m (2021: £0.9m), with a net cash outflow in operating activities of £2.7m (2021: inflow of £4.5m).

Management uses Adjusted EBITDA as its key measure of profitability. The costs between Adjusted EBITDA and statutory operating loss relate to the amortisation of intangible assets recognised on acquisition of the business in October 2017, which management do not consider a true cost to the business (ie, amortisation of intellectual property and customer relationships), foreign exchange losses and a number of other costs that were one-off / non-recurring in nature.

During the year the business suffered a 51% drop in revenue from the prior year (£13.1m in 2022 down from £26.5m in 2021) and a 160% decrease in adjusted EBITDA (loss of £1.3m in 2022 down from a profit of £2.2m in 2021). Of the £13.4m decrease in revenue and £3.5m decrease in adjusted EBITDA, £9.7m and £3.9m respectively was attributable to the non-repeat of one-off covid solutions sales secured in the previous year (which were not repeated in the current year given the shift of the global response to vaccines rather than prevention), while the negative impacts of the pandemic continued to hit our traditional sales. In Asia Pacific, the market was largely "closed" during the year due to stringent lockdowns impacting both staff and customers; and hence very little revenue has been generated from what previously was a strong market for the group. Accordingly, the group took the difficult decision to close our offices in both Singapore and Malaysia and to descale our back-office and engineering operations to right-size the cost base to a sustainable level.

Despite the disappointing financial performance during the year, the group made very strong strategic progress during the year. Our new Video Surveillance as a Service Platform ("VSaaS"), CloudVis, was developed and was launched prior to 31 March 2022 through our key channel partners. Early success has now been seen with this product in FY23 through Vodafone, and the response to CloudVis and our other products with channel partners remains very strong (including AT&T, Fujitsu and Johnson Controls International).

As such, the Directors consider that the outlook for the Group and its growth remains positive. To fund this growth, the Group (with the support of our majority shareholder, Volpi Capital) sought new external investment from a number of potential investors. This process was successful and resulted in 3i Group plc investing in the business, which was transacted by Project Gateway Bidco Limited (and therefore all operating subsidiaries) being acquired on 10 August 2022 by George Bidco Limited. The result of this transaction is that the Company has wholly divested (via it's structure) the operating businesses held by Project Gateway Bidco Limited.

COVID-19

Along with most businesses in the world, the COVID-19 pandemic has had an impact on the Group. Quarantines across the world resulted in the majority of employees working from home, which thankfully has not had a noticeable reduction in productivity as the Group was able to pivot to a remote working model, thanks in no small part to the professionalism and dedication of our staff. However, with many borders closed we did suffer significant delays in supply chain lead times leading to some revenue slipping out of the year, while administrative challenges suffered by many Government customers led to some expected procurements from those customers also being delayed or lost.

In the previous year the Group developed a new product 'Elevated temperature screening' device, which is a non-invasive way to detect individuals with elevated body temperature. This new product drove very strong sales in the prior year, but we were aware this was going to be "one-off" in nature and unlikely to receive the same sales in the current year.

Strategic Report (continued)
for the year ended 31 March 2022

Adjusted EBITDA

	2022 £'000	2021 Restated* £'000
Operating loss	**(10,036)**	(786)
Add back:		
Depreciation and amortisation	**1,822**	1,818
EBITDA	**(8,214)**	1,032
Add back:		
Impairment of Goodwill	2,756	-
Reorganisation costs	973	140
Transaction costs	108	-
Loss on disposals	46	-
Inventory write-down	68	169
Exchange loss/(gain)	(72)	269
Luxembourg Covid shutdown costs	39	37
Exceptional Product re-work provision	57	72
France Statutory Pension – changes	(104)	63
Exceptional bad debt	3,062	381
****Adjusted EBITDA**	**(1,281)**	2,163

* See note 21 for details regarding the restatement as a result of an error

** Adjusted EBITDA is a calculation presented that the Directors believe is a more relevant measure of the Group's underlying performance and is not defined by IFRS.

Principle risks and uncertainties

The Directors believe the following risks to be the most significant for the Group and Parent Company. However, the risks listed below do not necessarily comprise all those associated with the Group and the Parent Company, as the performance may also be affected by changes in market, political or economic conditions, and in legal regulatory and tax requirements.

1. Dependence upon key intellectual property

The Company's success depends in part on its ability to protect its rights in its intellectual property. It may be possible for third parties to obtain and use the Group's intellectual property without the Group's authorisation and as such the Company may become involved in litigation which could be costly and time consuming.

2. Competition

The Group has experienced, and expects to continue to experience, competition from a number of companies. This competition may take the form of new products and services that better meet industry needs and competitors who respond more quickly to client requirements. In addition, competitors may have greater financial or technical resources than the Group.

3. Availability of capital and cash flow

In order to enable the Group to progress through further stages of development it may be desirable for the Company to raise additional capital by way of long-term bank debt or shorter-term working capital facilities. The availability of long or short-term bank debt will depend on progress with stated strategy and trading prospects.

Strategic Report (continued)

for the year ended 31 March 2022

Principle risks and uncertainties (continued)

4. Key management

The Group depends on the founding Directors and other senior managers with specific sector and industry knowledge, and on the recruitment and retention of the services of its key technical, sales, marketing and management personnel, both in the UK and overseas. Competition for such personnel can be intense, and the Group cannot give assurances that it will be able to attract or retain such staff.

5. Delivery

The reputation of the Group depends on effective and timely delivery of its products and services to clients. Technology failure and/or failure to deliver promised services in a timely and efficient manner in accordance with the contract terms could have a significant impact on the reputation and hence future growth of the Group.

6. Government spending

A significant portion of the Group's revenues are generated from UK and other international central government agencies. Continued pressures on Government spending within certain territories may materially and adversely affect the Group's business, operating results or financial condition.

7. Claims by third parties

While the Directors believe that the Group's products and other intellectual property do not infringe upon the proprietary rights of third parties, there can be no assurance that the Group will not receive infringement claims from third parties which could be both costly and time consuming.

8. System failures and breaches of security

The successful operation of the Group's business depends upon maintaining the integrity of the Group's computer, communication and information technology systems which are vulnerable to damage, breakdown or interruption from events which are beyond the Group's control.

9. Credit risk

The Group's credit risk is primarily attributable to its receivable balances from customers. Before accepting a new customer, the Group uses external credit scoring systems to assess the potential customer's credit quality and define an appropriate credit limit which is reviewed regularly.

10. Impact of Brexit

The impact of Brexit bears an increased risk of supply chain issues into and out of the UK. As a Group we continue to monitor developments and review trading compliance into the EU.

11. COVID-19

Along with some businesses in the world, COVID-19 pandemic continues to have an impact on the Group from the Asia Pacific market. Quarantines and local lockdowns result in employees needing to work from home and delays in suppliers delivering on our products, likely global recession may impact on future revenue and recoverability of debt, border restrictions may also delay delivery of solutions and generation of sales from building new customer relations.

This report was approved by the board on 14 December 2022 and signed on its behalf by:

Stuart Purves

Chief Financial Officer, 14 December 2022

Directors' Report

for the year ended 31 March 2022

The Directors present their report together with the audited consolidated financial statements for Project Gateway Topco Limited (the 'Company') and its subsidiaries (together referred to as the 'Group') for the year ended 31 March 2022.

Results and dividends

The results of the year ended 31 March 2022 are disclosed on page 11 and show a loss after taxation of £12.3 million (31 March 2021 restated loss: £5.1 million). No dividends have been paid or proposed in the period.

Directors

The directors below have held office during the period from 1 April 2021 to the date of this report (unless otherwise stated).

Zak Doffman

Crevan O'Grady

Stuart Purves

Marco Sodi

Neville Davis (resigned 10 August 2022)

Post Balance Sheet Event

On 10 August 2022, Project Gateway Midco 2 Limited completed an agreement to sell 100% of the Video business (held under ownership via subsidiaries through Project Gateway Bidco Limited) to George Bidco Limited, a company incorporated in England & Wales.

The sale was enacted so as to fund the next stage of growth of the business, through the launch of its new CloudVis product and its channel growth plan, funded primarily by funds under the control of 3i Group plc and through Volpi Capital reinvesting much of is existing capital to retain a significant minority stake.

Under the terms of the agreement, £20.1m of capital was invested into Project Gateway Bidco Limited and its subsidiaries (via intercompany loans), of which £6.0m was used to repay the revolving credit facility with SVB in full (held by Digital Barriers Services Limited), £4.0m to pay fees and £4.7m used to settle the intercompany loan with Project Gateway Midco 2 in full; the balancing £5.4m of cash will be used to fund the operations of the business.

Directors' and officers' indemnities and insurance

The Company maintains liability insurance for its Directors and Officers. The Directors and Officers have also been granted a qualifying third-party indemnity provision under the Companies Act 2006.

That indemnity provision has been in force throughout the period and remains in force at the date of this report.

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 they ought to have taken as a director, in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Going concern

As noted in note 1 of the financial statement, following the agreement to sell 100% of the Video Business to George Bidco Limited; whilst the trading business of the Digital Barriers Group will continue under new ownership the directors intend to winddown the affairs of the company Project Gateway Topco Limited. As a result the directors do not consider the Company to be a going concern and consequence these financial statements have not been prepared on the going concern basis.

Directors' Report (continued)
for the year ended 31 March 2022

Auditors
The auditors, BDO LLP have expressed their willingness to continue as auditors to the Company.

On behalf of the board:

Stuart Purves – Chief Financial Officer
Date: 14 December 2022

Directors' Responsibilities Statement

for the year ended 31 March 2022

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 Group financial statements in accordance with UK adopted international accounting standards ("IFRS"), and have elected to prepare the Parent Company 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 Group and Parent Company and of the profit or loss of the Group and Parent 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;
- state whether the Group accounts have been prepared in accordance with IFRSs, and whether the applicable UK Accounting Standards have been followed for the Company, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so. As explained in note 1 to the financial statements, the Directors do not believe the going concern basis to be appropriate and, in consequence, these financial statements have not been prepared on that basis.

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.

Independent auditor's report to the members of Project Gateway Topco Limited
for the year ended 31 March 2022

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2021 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Project Gateway Topco Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 March 2022 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Balance Sheet, the Company Statement of 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 UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and as regards the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard FRS 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent 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.

Emphasis of matter – Financial statements prepared on a basis other than that of going concern

We draw your attention to note 1 of the financial statements which explains that the directors intend to wind down the affairs of the Parent Company in due course following the Group's disposal of the trading business after the reporting date. The Directors therefore do not consider the Group or the Parent Company to be a going concern. Accordingly, the financial statements have been prepared on a basis other than that of a going concern as described in note 1. Our opinion is not modified in respect of this matter.

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 auditor's 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.

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.

Other Companies Act 2006 reporting

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 year 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.

In the light of the knowledge and understanding of the Group and the Parent 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the the Directors' responsibilities statement, 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 Group's and the Parent 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 Group or the Parent 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework, the Companies Act of 2006, data privacy and the relevant tax regulations.

Independent auditor's report to the members of Project Gateway Topco Limited for the year ended 31 March 2022 (continued)

- We understood how the company is complying with those frameworks by making enquiries of management, those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and papers provided to the directors.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where they considered there was a susceptibility to fraud.
- Our audit planning identified fraud risks in relation to management override and risk of fraud in revenue recognition. We considered the processes and controls that the Company have established to address risks identified, or that otherwise prevent, deter and detect fraud and how management monitors that processes and controls.
- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- We have considered the risk of fraud through management override of controls by:
  - testing on a sample basis the appropriateness of journal entries and other adjustments; and
  - assessing whether the judgements made in making accounting estimates are indicative of potential bias.
- We have considered the risk of fraud through revenue recognition by:
  - testing on a sample basis the revenue recognised for the period to supporting documentation, including recalculations of deferred and accrued income where applicable.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Tom Laird

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Tom Laird (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

Date: 14 December 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated income statement

for the year ended 31 March 2022

	Notes	Year ended 31 March 2022 £'000	Year ended 31 March 2021 Restated* £'000
Revenue	2	**13,142**	26,522
Cost of sales		**(2,973)**	(12,264)
Gross profit		**10,169**	14,258
Depreciation	7	**(757)**	(754)
Amortisation	9	**(1,065)**	(1,064)
Other administration costs		**(15,627)**	(13,226)
Administration costs		**(17,449)**	(15,044)
Impairment of goodwill		**(2,756)**	-
Operating loss	3	**(10,036)**	(786)
Finance costs	5	**(4,725)**	(4,375)
Loss before tax		**(14,761)**	(5,161)
Income tax	6	**(278)**	57
Loss after tax attributable to owners of the parent		**(15,039)**	(5,104)

* See note 21 for details regarding the restatement as a result of an error

The notes on pages 16 to 43 form part of these consolidated financial statements.

Consolidated statement of comprehensive income

for the year ended 31 March 2022

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 Restated* £'000
Loss for the year	**(15,039)**	(5,104)
Other comprehensive income/(loss)		
Exchange differences on retranslation of foreign operations	**163**	(250)
Net other comprehensive income/(loss)	**163**	(250)
Total comprehensive loss attributable to owners of the parent	**(14,876)**	(5,354)

* See note 21 for details regarding the restatement as a result of an error

The notes on pages 16 to 43 form part of these consolidated financial statements.

Consolidated statement of financial position

for the year ended 31 March 2022

	Notes	31 March 2022 £'000	31 March 2021 Restated* £'000	1 April 2020 Restated* £'000
Non-current assets				
Property, plant and equipment	7	**1,020**	1,018	1,650
Goodwill	8	**6,867**	9,623	9,623
Other intangible assets	9	**7,151**	6,702	7,304
		15,038	17,343	18,577
Current assets				
Inventories	10	**1,760**	1,673	1,100
Trade and other receivables	11	**4,552**	8,554	15,185
Current tax recoverable		**-**	299	358
Cash and cash equivalents	15	**2,645**	3,833	3,230
		8,957	14,359	19,873
Total assets		**23,995**	31,702	38,450
Equity and liabilities				
Equity share capital	14	**25**	25	25
Share premium		**2,316**	2,316	2,301
Translation reserve		**78**	(85)	165
Retained earnings		**(32,087)**	(17,048)	(11,944)
Total equity		**(29,668)**	(14,792)	(9,453)
Non-current liabilities				
Financial liabilities	13	**13,228**	39,281	35,292
Leasehold liabilities	16	**485**	376	754
Provisions	17	**115**	188	156
Trade and other payables	12	**477**	903	839
		14,305	40,748	37,041
Current liabilities				
Trade and other payables	12	**2,854**	4,157	6,341
Current tax liabilities		**205**	-	-
Financial liabilities	13	**35,492**	996	3,880
Leasehold liabilities	16	**282**	424	523
Provisions	17	**525**	169	118
		39,358	5,746	10,862
Total liabilities		**53,663**	46,494	47,903
Total equity and liabilities		**23,995**	31,702	38,450

* See notes 21 and 22 for details regarding the restatement as a result of an error

The notes on pages 16 to 43 form part of these consolidated financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 14 December 2022.

They were signed on its behalf by:

Stuart Purves

Chief Financial Officer

Date: 14 December 2022

Company Number 10900066

Consolidated statement of changes in equity

for the year ended 31 March 2022

	Share capital £'000	Share premium account £'000	Translation reserve £'000	Retained Earnings £'000	Total equity £'000
Balance at 1 April 2020 as originally presented	25	2,301	165	(11,829)	(9,338)
Correction of error	-	-	-	(115)	(115)
Restated balance at the beginning of the financial year	25	2,301	165	(11,944)	(9,453)
Shares issued	-	15	-	-	15
Loss for the year (restated*)	-	-	-	(5,104)	(5,104)
Other comprehensive loss	-	-	(250)	-	(250)
Total comprehensive gain/(loss)	-	15	(250)	(5,104)	(5,354)
At 31 March 2021	25	2,316	(85)	(17,048)	(14,792)
Balance at 31 March 2021 as originally presented	**25**	**2,316**	**(85)**	**(16,857)**	**(14,601)**
Correction of error	-	-	-	(191)	(191)
Restated balance as at 31 March 2021	**25**	**2,316**	**(85)**	**(17,048)**	**(14,792)**
Loss for the year	-	-	-	(15,039)	(15,039)
Other comprehensive income	-	-	163	-	163
Total comprehensive gain/(loss)	-	-	163	(15,039)	(14,876)
At 31 March 2022	**25**	**2,316**	**78**	**(32,087)**	**(29,668)**

* See notes 21 and 22 for details regarding the restatement as a result of an error

The notes on pages 16 to 43 form part of these consolidated financial statements.

Consolidated statement of cash flows
for the year ended 31 March 2022

	Notes	Year ended 31 March 2022 £'000	Year ended 31 March 2021 Restated* £'000
Operating activities			
Loss before tax		**(14,761)**	(5,161)
Non-cash adjustment to reconcile loss before tax to net cash flows			
Depreciation of property, plant and equipment	7	**154**	183
Depreciation of right-of-use asset	7	**603**	571
Amortisation of intangible assets	9	**1,065**	1,064
Impairment of goodwill		**2,756**	-
Unrealised loss/(gain) on foreign exchange		**7**	(439)
Research and development expenditure credit		**(88)**	(155)
Loss on disposal of intangible assets		**75**	-
Loss on disposal of property, plant and equipment and early termination of leases		**112**	-
Net finance costs		**4,725**	4,375
Working capital adjustments:			
Decrease in trade and other receivables		**4,090**	6,605
Increase in inventories		**(87)**	(573)
Decrease in trade and other payables		**(1,713)**	(2,228)
Decrease/(increase) in deferred income		**(16)**	108
Increase in provisions		**283**	83
Cash generated (utilised)/from operations		**(2,795)**	4,433
Interest paid		**(126)**	(197)
Tax received		**229**	292
Net cash flow generated (utilised in)/from operating activities		**(2,692)**	4,528
Investing activities			
Purchase of property, plant and equipment	7	**(245)**	(54)
Purchase of intangible assets	9	**(1,589)**	(462)
Contingent consideration paid		**-**	(63)
Net cash flow utilised in investing activities		**(1,834)**	(579)
Financing activities			
Proceeds from issue of shares	14	**-**	15
Repayment of obligations under leases	16	**(583)**	(628)
Revolving credit facility receipts		**5,000**	4,500
Revolving credit facility (repayments		**(1,082)**	(7,251)
Net cash flow from/(utilised in) financing activities		**3,335**	(3,364)
Net (decrease)/increase in cash and cash equivalents		**(1,191)**	585
Opening net cash and cash equivalents		**3,833**	3,230
Effect of foreign exchange rate changes on cash and cash equivalents		**3**	18
Net cash and cash equivalents at end of period		**2,645**	3,833

The notes on pages 16 to 43 form part of these consolidated financial statements.

Notes to the consolidated financial statements (continued)

1. Accounting policies

Basis of preparation

The Group's financial statements have been prepared in accordance with UK adopted international accounting standards ("IFRS") as they apply to the financial statements of the Group for the year ended 31 March 2022 and applied in accordance with the Companies Act 2006.

The Financial Statements were authorised for issue by the Board of Directors on 14 December 2022 and the Statement of Financial Position was signed on the Board's behalf by Stuart Purves.

All values are rounded to £'000 except where otherwise stated.

The Company is a private limited company incorporated and domiciled in England and Wales.

The consolidated financial statements have been prepared on a historical cost basis, except:

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Going concern

The Board has carefully considered those factors likely to affect the Group's performance and ability to operate within its current and foreseeable financial resources.

On 10 August 2022, Project Gateway Midco 2 Limited completed an agreement to sell 100% of the Video business (held under ownership via subsidiaries through Project Gateway Bidco Limited) to George Bidco Limited, a Company incorporated in England & Wales.

Following this transaction, the directors intend to wind down the affairs of the Company and its remaining subsidiaries. As a result, the do not consider the Company to be a going concern and have therefore prepared these financial statements on a basis other that the going concern. There were no adjustments to the financial statements as a result of being prepared on a basis other than that of a going concern.

Accounting standards that are newly effective in the current year

There are no new accounting standards that are newly effective in the current year that would have a material impact on the Group.

Significant changes in the current reporting year

Some of the amounts reported for the previous years have been restated to correct an error. Detailed information about these adjustments can be found in notes 21 and 22.

Basis of consolidation

The consolidated financial statements for the year include those of Project Gateway Topco Limited and its subsidiary undertakings (together 'the Group') drawn up at 31 March 2022

Subsidiary undertakings are those entities controlled directly or indirectly by the Company. Control is achieved when the Group is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Subsidiaries are consolidated using the Group's accounting policies. Business combinations are accounted for using the acquisition method of accounting. All inter-company balances and transactions, including unrealised profits arising from them, are eliminated on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and

Notes to the consolidated financial statements (continued)

1. Accounting policies (continued)

Basis of consolidation (continued)

other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income is re-presented as if the operation had been discontinued from the start of the comparative period.

Critical accounting estimates and judgements

In preparing the consolidated financial statements, management makes judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. The critical judgements and estimates made in preparing the consolidated financial statements are detailed below. These judgements and estimates involve assumptions in respect of future events which can vary from what is anticipated.

Revenue and profit recognition

Contracts are accounted for in accordance with IFRS 15 'Revenue from Contracts with Customers'. Revenue and profits are recognised as, and when, identifiable performance obligations are met. Determining the performance obligations, contract price and relevant allocation, for some contracts, may require management to exercise judgement. Estimates and judgements are continually reviewed and updated as determined by events or circumstances.

Valuation of intangible assets

In accordance with IFRS 3 'Business Combinations' goodwill arising on the acquisition of subsidiaries is capitalised and included in intangible assets. IFRS 3 also requires the identification of other intangible assets acquired. The method used to value intangible assets is the 'Income Approach' which requires the use of a number of estimates. These might include revenue and margin projections and assessments of likelihood of contract renewal which may differ from actual outcomes. The useful economic life of other intangibles also requires the use of estimates which may differ from actual outcomes. Details of other intangibles are disclosed in note 9, including details of the carrying amounts and remaining useful economic lives of individually material assets.

Impairment of intangible assets

The Group assesses annually whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. The recoverable amount is the higher of the cash-generating units (CGUs) fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset, or group of assets, exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The determination of whether or not goodwill has been impaired requires an estimate to be made of the value in use of the CGUs to which goodwill has been allocated. The value in use calculation includes estimates about the future financial performance of the CGUs, including management's estimates of long-term operating margins and long-term growth rates. This calculation is performed annually each year and compared with the recoverable amount to determine impairment. The testing is only re-performed if an impairment triggering event occurs in the intervening period.

The calculation of value in use of the aggregate cash-generating units to which goodwill has been allocated, includes an estimate of the short-term (up to year three) and long-term (beyond year three up to five years) growth rate of the CGUs, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The carrying amount of goodwill and the key assumptions used in the calculation of value in use of the CGUs is disclosed in note 8. The carrying amount of other intangible assets is disclosed in note 9.

Notes to the consolidated financial statements (continued)

1. Accounting policies (continued)

Critical accounting estimates and judgements (continued)

Debtor recoverability

The Group continues to assess whether all debtors are recoverable. Where there remains to be continual non-payment of specific debtors the Board will discuss and set out the range of likely outcomes based on the evidence available and assign weighted probabilities to the outcome to determine the estimated impairment to be assigned. This is an addition to the impairment provision calculated as noted in the accounting policies note 'Trade and other receivables'.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. Payments made that are contingent on the vendors continuing to be employed by the Group are treated as remuneration and recognised within the administration cost line in the income statement. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in the income statement. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

a) Intangible assets

In accordance with IFRS 3 'Business Combinations', goodwill arising on the acquisition of subsidiaries is capitalised and included in intangible assets. IFRS 3 also requires the identification of other intangible assets acquired. The method used to value intangible assets is the 'Income Approach'. The Income Approach indicates the fair value of an asset based on the value of the cash flows that the asset might reasonably be expected to generate.

Notes to the consolidated financial statements (continued)

1. Accounting policies (continued)

b) Other intangible assets

Intangible assets acquired from a business combination are capitalised at fair value as at the date of acquisition and amortised over their estimated useful economic life. An intangible asset acquired as part of a business combination is recognised outside goodwill if the asset is separable or arises from contractual or other legal rights. The estimated useful lives of the intangible assets are as follows:

- Customer relationships – one to fourteen years;
- Order backlog – one to two years;
- Intellectual property and Software – three to seven years;
- Technology – one to twenty years;
- Patents – one to twenty years;
- Trademarks – ten years; and
- Brand – twenty years.

Amortisation is charged to administration expenses in the consolidated income statement on a straight-line basis. Intangible assets, other than development costs, created within the business are not capitalised and expenditure thereon is charged to the income statement in the period in which the expenditure is incurred.

The carrying value of other intangible assets is reviewed for impairment when events or changes in circumstance indicate that it may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is estimated to be the higher of the other intangible assets fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets of groups of assets. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which it belongs.

Revenue

Revenue is presented as the gross amount billed to a customer where it is earned from revenue from the sale of goods or services as principal.

To determine whether to recognise revenue, the Group follows a five-step process:

1. Identify the contract(s) with a customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations in the contract.
5. Recognise revenue when or as the entity satisfies its performance obligations.

A typical sale entered into with a customer contains both hardware and software

Warranty

The Group provides a basic one-year product warranty on its hardware. Under the terms of this warranty customers can return the product for repair or replacement if it fails to perform in accordance with published specifications. These assurance-type warranties are not considered to be a separate performance obligation and so revenue is not allocated to this. The estimated costs of serving these warranties are recognised as provisions under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. The Group also provides extended warranties for a fixed price; with revenue recognised on a straight line basis over the term of the extended warranty period as there is no statistically significant variation to calculate this in a different way at the moment.

Milestone revenue

Revenue derived from funded development and large programmes is recognised as milestone obligations are completed in full. Directors assess the progress against key project milestones and risk.

Notes to the consolidated financial statements (continued)

1. Accounting policies (continued)

Accrued income

Accrued income represents revenue recognised to date less amounts invoiced to customers. Full provision is made for known or anticipated project losses.

Trade and other receivables

Trade receivables are recognised and measured at their original invoiced amount less provision for any uncollectible amounts. An estimate for doubtful debts is made using the ECL (expected credit loss) model which replaces the 'incurred loss' model in IAS 39. The Group measures loss allowances for trade receivables at an amount equal to lifetime expected credit losses using both quantitative and qualitative information and analysis based on the Group's historical experience and forward-looking information.

The assessment of impairment of trade receivables and accrued income is in accordance with IFRS 9.

The Group recognises a loss allowance for expected credit losses ("ECL") on all receivable balances from customers subsequently measured at amortised cost, using the 'simplified approach' permitted under IFRS 9, as these do not contain a significant financing component. Certain receivables have been excluded from the model due to an agreement payment schedule which differs from the ordinary course of business.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument with the addition of known adjustments made off the back of the credit risk of each receivable.

A lifetime expected credit loss equal to the following has been applied on the remaining total receivables due:

- Not due: 0%
- Not more than six months past due: 0%
- More than six months past due: 49%

These expected credit loss amounts are reviewed on an ongoing basis.

Provisions

Provisions are recognised in the statement of financial position when there is a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation; discounting at a pre-tax discount rate when the time value of money is material. Onerous contract provisions are recognised for unavoidable costs of meeting the obligations under a contract that exceed the economic benefits expected to be received under it.

Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the statement of financial position's date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

Notes to the consolidated financial statements (continued)

1. Accounting policies (continued)

Income taxes (continued)

The carrying amount of deferred income tax assets is reviewed at each statement of financial position's date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Group to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

Equity

Equity comprises the following:

- Share capital represents the nominal value of equity shares;
- Share premium represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue;
- The translation reserve represents the impact of currency translation on the foreign currency net investment in Digital Barriers SAS, Digital Barriers Inc, Digital Barriers USA Inc and other foreign subsidiaries;
- Other reserves represent the difference between the carrying value of the net assets acquired and shares issued in consideration on the pooling of interests transaction; and
- The profit and loss reserve represent the cumulative total profit or loss attributable to shareholders, excluding those items recognised in other reserves.

Research and development costs

Research expenditure is charged to the income statement in the year in which it is incurred.

Expenditure incurred in the development of software and hardware products for use or sale by the business, and their related intellectual property rights, is capitalised as an intangible asset only when:

- Technical feasibility has been demonstrated;
- Adequate technical, financial and other resources exist to complete the development, which the Group intends to complete and use;
- Future economic benefits expected to arise are deemed probable; and
- The costs can be reliably measured.

Development costs not meeting these criteria are expensed in the income statement as incurred. When capitalised, development costs are on a straight-line basis over their useful economic lives once the related software and hardware products are available to use. During the period of development, the asset is tested for impairment annually. Development costs with a value of £1.6m (2021: £0.2m) have been capitalised in the period.

Notes to the consolidated financial statements (continued)

1. Accounting policies (continued)

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for any long-term construction projects if the recognition criteria are met. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. All other repair and maintenance costs are recognised in profit or loss as incurred. Depreciation is charged on the following bases to reduce the cost of the Company's property, plant, and equipment to their residual values over their expected useful lives at the following rates:

- Leasehold improvements – 20% to 33% straight line;
- Office furniture and equipment – 20% straight line;
- Computer equipment – 33% straight line;
- Vehicles – 25% straight line;
- Demonstration stock – 20% to 50% straight line; and
- Right of Use – period of the lease.

The carrying value of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate the carrying value may be impaired.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Inventories

Inventories are valued at the lower of cost and net realisable value on a first-in first-out basis. In the case of finished goods, cost includes all direct expenditure and production overheads based on the normal level of activity. Where necessary, an appropriate allowance is made for obsolete, slow-moving and defective inventories. In certain instances, inventory items are used for demonstration purposes. In this case the inventory item is classified as a fixed asset and depreciated in line with the Group depreciation policy.

Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, they are measured at amortised cost.

Cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. The Group derecognises financial assets and liabilities only when the contractual rights and obligations are transferred, discharged or expire.

Financial assets comprise trade and other receivables and cash and cash equivalents. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. All of the Group's cash flows from customers are solely payments of principal and interest, and do not contain a significant financing component. Financial assets generated from all of the Group's revenue streams are therefore initially measured at their transaction price (as defined in IFRS 15) and are subsequently remeasured at amortised cost. Cash and cash equivalents comprise cash in hand and are subject to an insignificant risk of changes in value.

Notes to the consolidated financial statements (continued)

1. Accounting policies (continued)

Financial instruments (continued)

Financial liabilities comprise trade payables, financing liabilities, bank borrowings and contingent consideration. These are measured at initial recognition at fair value and subsequently at amortised. Bank borrowings are stated at the amount of the net proceeds after deduction of transaction costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the income statement.

Amounts included in trade creditors are settled by the Group in accordance with each supplier's normal payment terms and payments continue to be classified within cash generated by operations. The Group does not receive any additional guarantees and does not pay any interest in relation to these amounts.

Foreign currency translation

The Group's consolidated financial statements are presented in Sterling, which is also the Parent Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the statement of financial position's date. All differences are taken to the income statement, except for differences on monetary assets and liabilities that form part of the Group's net investment in a foreign operation. These are taken to other comprehensive income until the disposal of the net investment, at which time they are reclassified from equity to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

The assets and liabilities of foreign operations are translated into Sterling at the rate of exchange ruling at the statement of financial position's date. Income and expenses are translated at weighted average exchange rates for the period where this is a reasonable approximation of the actual rates. Where weighted average exchange rates are not a reasonable approximation of the actual rates, the actual exchange rates at the date of the transaction are used. The resulting exchange differences are recognised in other comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

Retirement benefits

The Group operates a Group defined contribution personal pension plan for certain employees. Pension costs are calculated annually and charged to the income statement as they arise.

Adoption of new and revised International Financial Reporting Standards

The Group's accounting policies have been prepared in accordance with IFRS effective as for its reporting date of 31 March 2022.

Standards Issued but not yet effective

There are no standards and interpretations that have been issued, that are not yet effective, that would be expected to have a material impact on the Group.

Notes to the consolidated financial statements (continued)

2. Revenue

Analysis of revenue by customer
The top five customers, by revenue for the year ended 31 March 2022 represented £3,741,000; £2,635,000; £1,317,000; £902,000 and £511,000 of Group turnover for the period (year ended 31 March 2021: £7,878,000; £3,102,000; £2,546,000; £2,024,000 and £1,927,000).

Other revenue information
The following table provides disclosure of the Group's continuing revenue analysed by:

Geographical market based on the location of the customer.

	2022 £'000	2021 £'000
United States of America	**2,493**	13,140
Philippines	**2,386**	2,475
United Kingdom	**2,923**	7,585
Sweden	**1,005**	1,131
Singapore	**91**	128
Germany	**209**	383
France	**3,355**	874
Australia	**330**	327
Indonesia	**31**	13
Rest of World	**319**	466
	13,142	26,522

Product Type:

	2022 £'000	2021 £'000
Hardware	**4,841**	22,807
Software	**5,698**	1,562
Development/Service	**2,603**	2,153
	13,142	26,522

Recognition type:

	2022 £'000	2021 £'000
Revenue recognised at point of delivery	**12,200**	25,831
Revenue recognised over time – support revenue	**942**	691
	13,142	26,522

In addition to the above information, a table in note 12 discloses how deferred revenue balances will result as revenue in financial years.

Notes to the consolidated financial statements (continued)

3. Group operating loss

The Group operating loss attributable to continuing operations is stated after charging/(crediting):

	2022 £'000	2021 Restated £'000
Research and development costs	838	1,617
Depreciation of property, plant and equipment, including right-of-use assets	757	754
Impairment of goodwill	2,756	-
Amortisation of intangible assets initially recognised on acquisition	1,033	1,009
Amortisation of other intangibles	32	55
Travel and subsistence	202	50
Inventory write-down	68	169
Reorganisation costs	973	140
RDEC Income	(88)	(138)
Exchange differences	(72)	269

Auditors' remuneration

The following table shows an analysis of all fees payable to the Group's auditors:

	2022 £'000	2021 £'000
Audit services		
Fees payable to the Company's auditor for the audit of the financial statements	37	29
Audit of the Company's subsidiaries	115	90
	152	119

4. Employees

	At 31 March 2022	At 31 March 2021
Number of employees	100	130

The average number of employees during the period and the number at the end of the period were as follows:

	Average 2022	At 31 March 2022	Average 2021	At 31 March 2021
Directors	3	3	3	3
Business units	112	82	112	113
Corporate	15	15	13	14
	130	100	128	130

Notes to the consolidated financial statements (continued)

4. Employees (continued)

The employee benefit expense for the period amounted to:

	2022 £'000	2021 £'000
Salaries and short-term employee benefits	**8,826**	7,952
Social security costs	**1,130**	1,177
Pension costs	**957**	786
	10,913	9,915

Additional information on Directors remuneration is disclosed in note 19.

5. Finance costs

	2022 £'000	2021 £'000
Volpi loan notes – 11%	**3,096**	2,782
Preference share interest – 11%	**1,343**	1,207
Bank loan interest	**121**	167
Unwind of discounting on leasehold liabilities	**68**	85
Finance fees	**97**	134
	4,725	4,375

6. Taxation

	2022 £'000	2021 £'000
Current tax		
Corporation tax	-	-
Overseas tax	**278**	**(57)**
Total tax charge/(credit) for the year	**278**	**(57)**
Deferred tax		
Origination and reversal of temporary differences	-	-
Adjustment in respect of prior year	-	-
Total tax credit for the year	**-**	**(57)**

Notes to the consolidated financial statements (continued)

6. Taxation (continued)

The tax charge/(credit) for the period is higher than the standard rate of corporation tax in the UK applied to the loss before tax. The differences are explained below:

	2022 £'000	2021 £'000
Loss before tax	**(14,761)**	(5,161)
Tax at the UK corporation tax rate of 19%	**(2,805)**	(981)
Tax effects of:		
Expenses not deductible for tax purposes	**(86)**	657
Income not taxable	**(27)**	(47)
Unrecognised deferred tax movements	**1,690**	503
Non-deductible impairment of goodwill	**524**	-
Difference in foreign tax rate	**426**	(75)
Total tax credit for the year	**278**	(57)

Deferred taxation
There are no deferred tax assets recognised in the current, or prior year.

Unrelieved tax losses amounting to approximately £63 million (2021: £59 million), which are available indefinitely for offset against future taxable trading profits, A deferred tax asset has not been recognised on £53 million (2021: £57 million) of these losses on the basis that there is insufficient evidence that this asset will be recoverable as at the statement of financial position's date. An asset will only be recognised with improved certainty and quantification of taxable profits.

Notes to the consolidated financial statements (continued)

7. Property, plant and equipment

	Leasehold improvements £'000	Office furniture and equipment £'000	Computers, ancillary equipment and electronic test equipment £'000	Demo stock £'000	Right-of-use assets £'000	Total £'000
Cost						
At 31 March 2020 restated*	40	36	410	395	1,750	**2,631**
Additions	2	1	47	4	105	**159**
Disposals	-	(1)	(21)	-	-	**(22)**
Exchange movements	3	-	(2)	-	(65)	**(64)**
At 31 March 2021 restated*	45	36	434	399	1,790	**2,704**
Additions	76	36	125	8	598	**843**
Disposals	(33)	(22)	(13)	-	(749)	**(817)**
Exchange movements	(1)	(2)	-	-	14	**11**
At 31 March 2022	**87**	**48**	**546**	**407**	**1,653**	**2,741**
Accumulated depreciation						
At 31 March 2020 restated*	10	18	239	246	468	**981**
Charge for period	13	7	83	80	571	**754**
Disposals	-	-	(21)	-	-	**(21)**
Exchange movements	3	1	-	(1)	(31)	**(28)**
At 31 March 2021 restated*	26	26	301	325	1,008	**1,686**
Charge for period	17	10	89	38	603	**757**
Disposals	(19)	(19)	26	-	(693)	**(705)**
Exchange movements	(8)	(3)	(20)	-	14	**(17)**
At 31 March 2022	**16**	**14**	**396**	**363**	**932**	**1,721**
Net book value						
At 31 March 2022	**71**	**34**	**150**	**44**	**721**	**1,020**
At 31 March 2021 restated*	19	10	133	74	782	1,018

* See note 21 for details regarding the restatement as a result of an error

Notes to the consolidated financial statements (continued)

8. Goodwill

	Goodwill £'000
At 31 March 2021	9,623
Impairment of goodwill associated with Videotech business	(2,756)
At 31 March 2022	**6,867**

The recoverable amount of goodwill is attached to the one cash generating unit ("CGU").

The Group is required to conduct annual impairment tests on the carrying value of its CGU in the statement of financial position. Although there is a requirement to perform annual impairment tests, these do not have to take place at 31 March, but should be consistently carried out at the same time annually.

Impairment testing will only be re-performed if an impairment triggering event occurs in the intervening period. Value in use calculations are used to determine the recoverable amount of the CGU. The Group carries out its annual impairment testing as at 31 March each year following the COVID triggering event in March 2020 rather than the anniversary of the acquisition of the Group. The impairment test in March 2022 included the information available on the proposed acquisition of the Video business by 3i.

The calculation uses cash flow projections based on an annual financial forecast through to March 2025, the key assumptions in which were as follows:

	March 2022	March 2021
Revenue compound annual growth rate from FY22 to FY25	52%	6%
Revenue growth from FY25 onwards	23%	3%
Gross margin (decline)/improvement FY22 to FY25	(15%)	2%
Discount rate	32%	19%

A sensitivity analysis was performed and the Directors have concluded that an impairment loss of £2,756,000 arose in the year ended 31 March 2022 for the Video business. The impairment was off the back of a successful bid via competitive tender with their value being less than the current book value of the net assets of the Videotech business. The deal was signed on 15 June 2022 and completed on 10 August 2022.

Notes to the consolidated financial statements (continued)

9. Other intangible assets

	Patents, Trademarks & Brand £'000	Intellectual property, Software & Technology £'000	Order backlog £'000	Customer relationships £'000	Capitalised Development £'000	Total £'000
Cost						
At 31 March 2020	866	4,956	620	4,895	111	11,448
Additions	72	145	-	-	245	462
Disposals	-	-	(620)	(398)	-	(1,018)
At 31 March 2021	938	5,101	-	4,497	356	10,892
Additions	-	-	-	-	1,589	1,589
Disposals	-	(4)	-	-	(75)	(79)
At 31 March 2022	**938**	**5,097**	-	**4,497**	**1,870**	**12,402**
Accumulated amortisation						
At 31 March 2020	109	1,737	620	1,678	-	4,144
Charge for the period	62	476	-	514	12	1,064
Disposals	-	-	(620)	(398)	-	(1,018)
At 31 March 2021	171	2,213	-	1,794	12	4,190
Charge for the period	47	499	-	491	28	1,065
Impairment	-		-		-	
Disposals	-	(4)	-	-	-	(4)
At 31 March 2022	**218**	**2,708**	-	**2,285**	**40**	**5,251**
Net book value						
At 31 March 2022	**720**	**2,389**	-	**2,212**	**1,830**	**7,151**
At 31 March 2021	767	2,888	-	2,703	344	6,702

Sensitivity analysis, using reasonable movements in assumptions, has not indicated that any other intangible items need impairment.

The net book values of individually material intangible assets and their remaining useful life at the end of each period were as follows:

	Carrying value 2022 £'000	**Remaining useful life Years 2022**	Carrying value 2021 £'000	Remaining useful life Years 2021
Videotech Business - Technology	**2,132**	**5.4**	2,585	6.4
Videotech Business - Customer Relationships (military)	**1,941**	**9.4**	2,158	10.4
Videotech Business - Customer Relationships (law enforcement and commercial)	**270**	**1.4**	545	2.4
Videotech Business - Brand	**671**	**15.6**	714	16.6

Notes to the consolidated financial statements (continued)

10. Inventories

	2022 £'000	2021 Restated* £'000
Raw materials	**583**	442
Finished goods and goods for resale	**1,177**	1,231
	1,760	1,673

The movement on stock provision during the period is set out below.

	Total £'000
At 31 March 2021	383
Released	(71)
Written off	-
Increase to provision	188
At 31 March 2022	**500**

* See note 21 for details regarding the restatement as a result of an error

11. Trade and other receivables

	Gross carrying amounts 2022 £'000	Provision for impairment 2022 £'000	Net carrying amounts 2022 £'000	Gross carrying amounts 2021 £'000	Provision for impairment 2021 £'000	Net carrying amounts 2021 £'000
Trade receivables	**6,535**	**(2,981)**	**3,554**	7,209	(92)	7,117
Social security & other taxes	**52**	**-**	**52**	292	-	292
Prepayments	**529**	**-**	**529**	293	-	293
Accrued income	**73**	**-**	**73**	552	-	552
Other receivables	**344**	**-**	**344**	300	-	300
	7,533	**(2,981)**	**4,552**	8,646	(92)	8,554

The Group's credit risk on trade and other receivables is primarily attributable to trade receivables and amounts recoverable on contracts. Three customers represent £2,650,000 (2021: £5,237,000) of the Group's trade receivables as at 31 March 2022.

The Group believes that the carrying amounts of the Group's trade receivables by the type of customer gives a fair presentation of the credit quality of the assets:

	2022 £'000	2021 £'000
Government customers	**608**	2,459
Commercial customers	**2,946**	4,658
	3,554	7,117

Notes to the consolidated financial statements (continued)

11. Trade and other receivables (continued)

The following table provides information about the Group's exposure to credit risk and ECLs against customer balances as at 31 March 2022 under IFRS 9:

	Gross carrying amount £'000	Loss allowance £'000	Net carrying amount £'000
Not due	695	-	695
Not more than three months past due	855	(3)	852
More than three months but not more than six months past due	2,736	(729)	2,007
More than six months past due	2,249	(2,249)	-
	6,535	**(2,981)**	**3,554**

The following table provides information about the ageing of trade receivables as at 31 March 2021 under IFRS 9:

	Gross carrying amount £'000	Loss allowance £'000	Net carrying amount £'000
Not due	6,791	-	6,791
Not more than three months past due	185	-	185
More than three months but not more than six months past due	1	-	1
More than six months past due	232	(92)	140
	7,209	**(92)**	**7,117**

The movement in the provision for doubtful debts is as follows:

	£'000
At 31 March 2021	92
Amounts recognised in the income statement	3,299
Written off	(410)
Amounts released to the income statement	-
At 31 March 2022	**2,981**

12. Trade and other payables

Current	**2022 £'000**	2021 Restated* £'000
Trade payables	**484**	1,224
Accruals	**978**	1,494
Deferred income	**867**	457
Social security and other taxes	**410**	884
Other payables	**115**	98
	2,854	4,157

Notes to the consolidated financial statements (continued)

12. Trade and other payables (continued)

Non-Current	**2022 £'000**	2021 Restated* £'000
Deferred income	**477**	903

Deferred income	Within one year £'000	One to two years £'000	Two to three years £'000	Three to four years £'000	After four years £'000	Total
As at 31 March 2022	**867**	**393**	**80**	**4**	**-**	**1,344**
As at 31 March 2021	457	546	319	34	4	1,360

The movement on the total deferred revenue balance during the year is set out below.

	2022 £'000	2021 Restated* £'000
Opening balance	**1,360**	1,252
Additions	**758**	1,200
Released	**(793)**	(1,014)
FX revaluations	**19**	(78)
Closing balance	**1,344**	1,360

* See note 22 for details regarding the restatement as a result of an error

13. Financial liabilities

	2022 £'000	2021 £'000
Non-current		
Volpi Loan notes	**-**	27,396
11% Preference shares (note 15)	**13,228**	11,885
	13,228	39,281
Current		
Volpi Loan notes	**30,492**	-
Revolving credit facility (net of fees)	**5,000**	996
	35,492	996

The loan notes are redeemable at par, together with accrued interest, on the earlier of the occurrence of an exit of the loan repayment date of 31 December 2022. Interest is payable at 11%.

The revolving credit facility is presented net of £nil (2021: £28,000) directly attributable and capitalised facility fees. As disclosed in note 23, the revolving credit facility with SVB was repaid in full as part of the terms of the agreements on the sale of Project Gateway Bidco Limited.

Notes to the consolidated financial statements (continued)

14. Share capital

	Number	£'000
Authorised, allotted, called-up and fully paid		
Ordinary 'A' Shares of 1 pence each		
At 31 March 2021	*1,960,000*	*20*
At 31 March 2022	**1,960,000**	**20**
Ordinary 'B1' Shares of 1.5 pence each		
At 31 March 2021	119,000	2
At 31 March 2022	**119,000**	**2**
Authorised, allotted, called-up and fully paid		
Ordinary 'B2' Shares of 1 pence each		
At 31 March 2021	219,333	2
At 31 March 2022	**219,333**	**2**
Authorised, allotted, called-up and fully paid		
Ordinary 'B3' Shares of 3 pence each		
At 31 March 2021	*35,000*	1
At 31 March 2022	**35,000**	**1**
Authorised, allotted, called-up and fully paid (classified as financial liabilities)		
Preference Shares of £1 each		
At 31 March 2021	8,247,547	8,248
At 31 March 2022	**8,247,547**	**8,248**

During the year ended 31 March 2021 7,500 Ordinary 'B2' shares of 1p were allotted, at an issue price of £2, and fully paid, giving rise to a share premium of £14,925. No shares were issued in the year ended 31 March 2022.

The rights of the different classes of share are as follows:

Ordinary 'A' shares

These shares have full voting rights with one vote per share. They rank pari passu (though after Preference shares) with all other shares in respect of dividend payments and return of capital.

Ordinary 'B1' shares

These shares have full voting rights with one and a half votes per share. They rank pari passu (though after Preference and A shares respectively) with all other shares in respect of dividend payments and return of capital.

Ordinary 'B2' shares

These shares have full voting rights with one vote per share. They rank pari passu (though after Preference and A shares respectively) with all other shares in respect of dividend payments and return of capital.

Ordinary 'B3' shares

These shares have full voting rights with one vote per share. They rank pari passu (though after Preference and A shares respectively) with all other shares in respect of dividend payments and return of capital.

Notes to the consolidated financial statements (continued)

14. Share capital (continued)

Preference Shares

The holders of the Preference shares have the right to a cumulative preferential cash dividend at 11% of issue price, in priority to any dividends on ordinary shares. The Preference shares are not redeemable, therefore the par value of the shares has been shown as a liability due more than one year. In the event of a winding up order on the Company, the holders of Preference shares have the right only to repayment of capital paid up thereon and arrears of Preference dividends to the date of payment but shall not have any further right to participate in profits or surplus assets. The Preference shareholders do not have the right to vote at general meetings of the Company.

15. Financial instruments

Categories of financial assets and liabilities

The Group had the following financial assets and liabilities:

The amounts below are contractual undiscounted cash flows and include both interest and principal amounts.

	Note	**Amortised cost 2022 £'000**	Amortised cost 2021 £'000
Assets as per statement of financial position			
Trade receivables	11	**3,554**	7,117
Accrued income	11	**73**	552
Other receivables	11	**344**	300
Cash and cash equivalents		**2,645**	3,833
		6,616	11,802

	Note	**On demand or less than one year 2022 £'000**	**One to two years 2022 £'000**	**Total 2022 £'000**	On demand or less than one year 2021 £'000	One to two years 2021 £'000	Total 2021 £'000
Liabilities							
Trade payables	12	**484**	-	**484**	1,224	-	1,224
Accruals	12	**978**	-	**978**	1,494	-	1,494
Other payables	12	**115**	-	**115**	98	-	98
Revolving credit facility	13	**5,000**	-	**5,000**	996	-	996
		6,577	-	**6,577**	3,812	-	3,812

The Volpi Loan notes of £30,492,000 (2021: £27,396,000) and 11% Preference shares of £13,228,000 (2021: £11,885,000) are also considered to be financial liabilities but have not been included above as the maturity cannot be reliably estimated.

Notes to the consolidated financial statements (continued)

15. Financial instruments (continued)

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments *by valuation techniques:*

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The Group had no Level 3 financial liabilities. The fair values of other financial assets and liabilities, which are short term, are not disclosed as the Directors estimate that the carrying amount of the financial assets and liabilities are not significantly different to their fair value. These financial assets and liabilities are carried at amortised cost.

Financial risk management

The Group has a centralised treasury function, providing a service to the Group for funding and foreign exchange management. Treasury activities are managed under policies and procedures approved and monitored by the Board. These are designed to reduce the financial risks faced by the Group, which primarily relate to credit risk, foreign currency risk, interest rate risk and liquidity risk. In the period, the Group has not undertaken any trading in financial instruments.

Credit risk

The Board monitors the Group's exposure to credit risk on an on-going basis. Cash investments are only allowed in liquid securities with major financial institutions that satisfy specific criteria. The maximum credit risk exposure at the statement of financial position's date is represented by the carrying value of financial assets. Cash investments have been held with three major financial institutions during the year.

The Board carries out a formal review of its banking arrangements on an annual basis. Details of the Group's credit risk on trade and other receivables can be found in note 11.

Customer concentration risk

The Group monitors its exposure to customer concentration risk on an on-going basis. The amount of the risk exposure is shown in note 11.

Foreign currency risk

Operations are subject to foreign exchange risk from committed transactions denominated in currencies other than their functional currency and, once recognised, the revaluation of foreign currency denominated assets and liabilities.

Approximately 27% (2021: 53%) of Group revenue was invoiced in currencies other than Sterling, predominantly USD and EUR. To mitigate foreign exchange risk arising from transactions denominated in other currencies, forecast revenues and costs are regularly reviewed to assess any potential currency exposures and whether forward currency contracts should be put in place. With substantial US and Asia Pacific revenues expected, the Group expects to generate a surplus of USD. To mitigate foreign currency risk exposure, the ability to increase inventory procurements in USD is regularly reviewed, which provides a natural hedge.

The Group is also exposed to movements in foreign currency exchange rates in respect of the translation of net assets and income statements of foreign subsidiaries. However, this translation risk is not hedged as it is immaterial within the Group and the foreign subsidiaries are regarded as long-term investments.

The Group has total cash assets of £2,645,000 of which £2,218,000 are Sterling denominated and £427,000 other currencies, mainly USD and Euro (2021: £3,833,000 of which £1,412,000 are Sterling denominated and £2,421,000 other).

Notes to the consolidated financial statements (continued)

15. Financial instruments (continued)

£'000	GBP	USD	EUR	Other	Total 2022
Trade receivables	1,034	2,296	224	-	3,554
Accrued income	-	61	12	-	73
Other receivables	307	4	16	17	344
Cash and cash equivalents	2,218	111	246	70	2,645
Trade payables	(447)	(28)	(8)	(1)	(484)
Accruals	(843)	(38)	(55)	(42)	(978)
Other payables	(79)	-	(36)	-	(115)
Revolving credit facility	(5,000)	-	-	-	(5,000)
Volpi Loan notes	(30,492)	-	-	-	(30,492)
11% Preference shares	(13,228)	-	-	-	(13,228)
Net exposure to currency at 31 March 2022	**(46,530)**	**2,406**	**399**	**44**	**(43,681)**

£'000	GBP	USD	EUR	Other	Total 2021
Trade receivables	3,703	3,154	214	46	7,117
Accrued income	44	51	457	-	552
Other receivables	221	20	33	26	300
Cash and cash equivalents	1,412	1,742	481	198	3,833
Trade payables	(1,141)	(64)	(17)	(2)	(1,224)
Accruals	(1,096)	(197)	(150)	(51)	(1,494)
Other payables	(77)	(10)	(10)	(1)	(98)
Revolving credit facility	(996)	-	-	-	(996)
Volpi Loan notes	(27,396)	-	-	-	(27,396)
11% Preference shares	(11,885)	-	-	-	(11,885)
Net exposure to currency at 31 March 2021	(37,211)	4,696	1,008	216	(31,291)

	2022 £'000	2021 £'000
If GBP had weakened against USD by 10%	**(316)**	(585)
If GBP had strengthened against USD by 10%	**316**	585
If GBP had weakened against EUR by 10%	**(46)**	(114)
If GBP had strengthened against EUR by 10%	**46**	114

Interest rate risk

The Group has £nil (2021: £nil) financial assets on fixed rate deposits. The Group is not exposed to interest rate risks on other assets and liabilities, which are transacted on normal commercial terms.

Notes to the consolidated financial statements (continued)

15. Financial instruments (continued)

Liquidity risk

The Group's policy is to maintain sufficient headroom to meet its foreseeable financing requirements. Substantial financial assets are held by the Group to meet its planned requirements.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows in the long and short term.

Capital risk management

The Group defines its capital as its total equity. At this stage of the Group's development, its policy is to have available the necessary financial resources to allow the Group to invest in areas that may deliver future benefit to investors and to fund its existing operations. The Group reviews the capital structure on a regular basis and considers the cost of capital and the risks and benefits associated with different forms of capital available to the Group.

The declaration and payment by the Group of any future dividends on the Ordinary Shares, and the amount will depend on the results of the Group's operations, its financial condition, cash requirements, future prospects, profits available for distribution and other factors deemed to be relevant at the time. However, given the Group's early stage, the Directors do not envisage that the Group will pay dividends in the foreseeable future and intend to reinvest surplus funds in the development of the Group's business. The Board will regularly review the appropriateness of its dividend policy.

16. Lease liabilities

The right-of-use asset has been included in property, plant and equipment on the balance sheet (note 7).

	Total £'000
At 31 March 2020	1,277
Additions	62
Interest expense	85
Effect of modification of lease terms	46
Lease payments	(628)
Foreign exchange movements	(42)
At 31 March 2021	800
Additions	420
Interest expense	49
Effect of modification of lease terms	79
Lease payments	(584)
Foreign exchange movements	3
At 31 March 2022	**767**

	2022 £'000	2021 £'000
Current	**282**	424
Non-current	**485**	376
	767	800

Notes to the consolidated financial statements (continued)

16. Lease liabilities (continued)

The table below summarises the maturity profile of the Group's lease liabilities

	2022	2021
	£'000	£'000
Within one year	**282**	424
Two to five years	**485**	376
After five years	**-**	-
Total	**767**	800

17. Provisions

	Restructuring provision	**Dilapidation provision**	**Other provision**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
At 31 March 2021	-	115	242	357
Charged to income statement	413	22	61	496
Utilisation	(150)	(15)	(52)	(217)
Exchange	1	-	3	4
At 31 March 2022	**264**	**122**	**254**	**640**
Current	**264**	**66**	**195**	**525**
Non-current	**-**	**56**	**59**	**115**

The restructuring provision relates to the closure of three offices and the overall reduction program in the year.

The provision for dilapidations relates to the legal obligation for the leased properties to be returned to the landlord in the contracted condition at the end of the lease period. This cost would include repairs of any damage and wear and tear.

Other provisions is mainly a provision for pension liabilities in Digital Barriers SAS, provision for Digital Barriers Services Ltd, and a provision for a potential tax exposure.

18. Commitments

There are no capital commitments at 31 March 2022 (2021: none).

Notes to the consolidated financial statements (continued)

19. Related party transactions

Remuneration

The remuneration of Directors, recognised in the income statement, is set out below in aggregate. Key management are defined as the Board of Project Gateway Topco Limited. Currently no employees outside of the Directors are classified as 'persons discharging managerial responsibility'.

	2022 £'000	2021 £'000
Directors' remuneration	**560**	557
Pension contributions	**39**	15
	599	572

The total amount payable to the highest paid director in respect of emoluments was £290,000 (2021: £290,000).

	2022 £'000	2021 £'000
Interest and fees accrued/paid to related parties		
Lux Capital Lux III S.à.r.l Loan notes	**3,092**	2,778
Neville Davis Loan notes	**4**	4
Lux Capital Lux III S.à.r.l 11% Preference shares	**1,341**	1,205
Neville Davis 11% Preference shares	**2**	2
Neville Davis Chairman fees	**32**	32
Amounts owed to related parties		
Lux Capital Lux III S.à.r.l Loan notes	**30,451**	27,359
Neville Davis Loan notes	**41**	37
Lux Capital Lux III S.à.r.l 11% Preference shares	**13,210**	11,869
Neville Davis 11% Preference shares	**18**	16
Neville Davis Chairman fees	**8**	8

20. Ultimate Parent and Controlling Party

The immediate parent of the Company is Volpi Lux III S.à.r.l, a company incorporated in Luxembourg.

The ultimate controlling party is considered to be the members of Volpi Capital Investments LP by virtue of their controlling shareholding in Project Gateway Topco Limited.

Notes to the consolidated financial statements (continued)

21. Correction of Error in Demo Stock

In the current year, we discovered that a large amount of demo stock was recorded within inventory. The error resulted in an understatement of depreciation recognised for the 2020 and prior financial periods and a corresponding overstatement of inventory.

The error has been corrected by restating each of the affected financial statement line items of the prior periods as follows:

Balance sheet (extract)	31 March 2021 £'000	Increase/ (Decrease) £'000	31 March 2021 (Restated) £'000	31 March 2020 £'000	Increase/ (Decrease) £'000	31 March 2020 (Restated) £'000
Property, plant and equipment	951	**67**	**1,018**	1,507	143	**1,650**
Inventories	1,931	**(258)**	**1,673**	1,358	(258)	**1,100**
Total Assets	**31,893**	**(191)**	31,702	**38,565**	**(115)**	**38,450**
Retained earnings	(16,857)	(191)	**(17,048)**	(11,829)	(115)	**(11,944)**
Total Equity	(14,601)	(191)	**(14,792)**	(9,338)	(115)	**(9,453)**
Total equity and liabilities	31,893	(191)	**31,702**	38,565	(115)	**(38,450)**

Income statement (extract)	31 March 2021 £'000	Increase/ (Decrease) £'000	31 March 2021 Restated £'000
Depreciation	(678)	(76)	**(754)**
Operating loss	**(710)**	**(76)**	**(786)**
Loss before tax	**(5,085)**	(76)	**(5,161)**
Loss after tax attributable to owners of the parent	**(5,028)**	(76)	**(5,104)**

Statement of comprehensive income (extract)

	31 March 2021 £'000	Increase/ (Decrease) £'000	31 March 2021 Restated £'000
Loss for the year	(5,028)	(76)	**(5,104)**
Total comprehensive loss attributable to owners of the	(5,278)	(76)	**(5,354)**

Notes to the consolidated financial statements (continued)

22. Correction of Disclosure of Deferred Income

In the current year, we discovered that we had not correctly split out non-current deferred income from current liabilities.

The error has been corrected by restating each of the affected financial statement line items of the prior periods as follows:

Balance sheet (extract)	31 March 2021 £'000	Increase/ (Decrease) £'000	31 March 2021 (Restated) £'000	31 March 2020 £'000	Increase/ (Decrease) £'000	31 March 2020 (Restated) £'000
Trade and other payables (non-current)	-	903	903	-	118	118
Trade and other payables (current)	5,060	(903)	4,157	6,459	(118)	6,341
Total Liabilities	46,494	-	46,494	47,903	-	47,903

This error results in no change to the assets or equity totals,

23. Post balance sheet events

On 10 August 2022, Project Gateway Midco 2 Limited completed an agreement to sell 100% of the Video business (held under ownership via subsidiaries through Project Gateway Bidco Limited) to George Bidco Limited, a company incorporated in England & Wales.

The sale was enacted so as to fund the next stage of growth of the business, through the launch of its new CloudVis product and its channel growth plan, funded primarily by funds under the control of 3i Group plc and through Volpi Capital reinvesting much of is existing capital to retain a significant minority stake.

Under the terms of the agreement, £20.1m of capital was invested into Project Gateway Bidco Limited and its subsidiaries (via intercompany loans), of which £6.0m was used to repay the revolving credit facility with SVB in full (held by Digital Barriers Services Limited), £4.0m to pay fees and £4.7m used to settle the intercompany loan with Project Gateway Midco 2 in full; the balancing £5.4m of cash will be used to fund the operations of the business. The new investors are also obligated to invest a further £10.0m in the coming year, subject to the business achieving certain operational milestones.

Notes to the consolidated financial statements (continued)

23. Subsidiaries

Details of the Company's subsidiary undertakings as at 31 March 2022 are as follows:

Company name	Principal activity	Registered offices	Group interest	Principally operates in	Country of incorporation
Digital Barriers Services Limited*	Development and Sale of low bandwidth video streaming product	Milton Gate, 60 Chiswell Street, London, EC1Y 4AG	100%	UK	England & Wales
Digital Barriers SAS*	Proprietary video analytics software solutions	Arep Center, 1. Traverse des Brucs, 06560 Valbonne Sophia-Antipolis, France	100%	France	France
OmniPerception Limited*	Standoff facial recognition	Milton Gate, 60 Chiswell Street, London, EC1Y 4AG	100%	UK	England & Wales
*Digital Barriers USA Inc.** (formerly known as Brimtek Inc.)	*Provider of technical* surveillance solutions	*328 Victory Dr, Herndon, VA* 20170-5216, USA	100%	*Virginia,* USA	USA
Digital Barriers Inc.	Holding company	C/O Corporation Services Company, 2711 Centerville Rd Suite 400 Wilmington, New Castle, Delaware 19808, USA	100%	Delaware, USA	USA
Digital Barriers Singapore PTE Ltd*	Service Office	32-01 Singapore Land Tower, 50 Raffles Place, 048623, Singapore	100%	Singapore	Singapore
Digital Barriers SDN BHD*	Service Office	12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	100%	Malaysia	Malaysia
OmniPerception Holdings Limited*^	Non-trading	Milton Gate, 60 Chiswell Street, London, EC1Y 4AG	100%	UK	England & Wales
Applied Image Recognition Limited*	Provider official recognition solutions	Milton Gate, 60 Chiswell Street, London, EC1Y 4AG	100%	UK	England & Wales
Security Applications Limited*^	Non-trading	Milton Gate, 60 Chiswell Street, London, EC1Y 4AG	100%	UK	England & Wales
D Ford Associates Limited*^	Non-trading	Milton Gate, 60 Chiswell Street, London, EC1Y 4AG	100%	UK	England & Wales
Stryker Communications Limited*^	Non-trading	Milton Gate, 60 Chiswell Street, London, EC1Y 4AG	100%	UK	England & Wales
Mutanderis 534 Ltd*^	Non-trading	Milton Gate, 60 Chiswell Street, London, EC1Y 4AG	100%	UK	England & Wales
Project Gateway Midco 1 Limited^x	Holding company	Milton Gate, 60 Chiswell Street, London, EC1Y 4AG	100%	UK	England & Wales
Project Gateway Midco 2 Limited*^x	Holding company	Milton Gate, 60 Chiswell Street, London, EC1Y 4AG	100%	UK	England & Wales
Project Gateway Bidco Limited*	Holding company	Milton Gate, 60 Chiswell Street, London, EC1Y 4AG	100%	UK	England & Wales
Digital Barriers S.A.R.L*	Development and Sale of low bandwidth video streaming product	18, rue Michael Rodange, L-2430 Luxembourg	100%	Luxembourg	Luxembourg
Digital Barriers Pty Limited*	Service Office	Grosvenor Place Level 12, 225 George Street, Sydney NSW 2000, Australia	100%	Australia	Australia

* Held indirectly via intermediate holding companies. 100%

x These subsidiaries have taken advantage of the audit exemption under Section 479A of the Companies Act 2006 for the year ended 31 March 2022 As *such, the parent company has provided a guarantee against all debts and liabilities in these subsidiaries as at 31 March 2022.*

^ These entities were dormant during year ended 31 March 2020 and have taken the exemption from preparing and filing financial statements for the year ended 31 March 2022 (by virtue of Section 448A of the Companies Act 2006).

Company statement of financial position
for the year ended 31 March 2022

	Notes	31 March 2022 £'000	31 March 2021 £'000
Non-current assets			
Investments	4	**-**	10,444
Amounts owed by group undertakings	5	**14,376**	26,130
		14,376	36,574
Current assets			
Amounts owed by group undertakings	5	**144**	144
		144	144
Total assets		**14,520**	36,718
Equity and liabilities			
Equity share capital	6	**25**	25
Share premium		**2,316**	2,316
Retained losses		**(31,541)**	(4,904)
Total equity		**(29,200)**	(2,563)
Non-current liabilities			
Financial liabilities	7	**13,228**	39,281
		13,228	39,281
Current liabilities			
Financial liabilities	7	**30,492**	-
		30,492	-
Total liabilities		**43,720**	39,281
Total equity and liabilities		**14,520**	36,718

The notes on pages 46 to 51 form part of these financial statements.

The Directors have taken advantage of the exemption available under section 408 of the Companies Act and have not presented a statement of comprehensive income for the Company. The loss for the year was £2,349,000 (2021: £1,899,000).

These financial statements were approved by the Board of Directors and authorised for issue on 14 December 2022.

They were signed on its behalf by:

Stuart Purves

Stuart Purves
Chief Financial Officer
Date: 14 December 2022

Company Number 10900066

Company statement of changes in equity
at 31 March 2022

	Share capital £'000	Share premium £'000	Retained losses £'000	Total equity £'000
At 31 March 2020	25	2,301	(3,005)	(679)
Loss for the period	-	-	(1,899)	(1,899)
Shares issued	-	15	-	15
At 31 March 2021	25	2,316	(4,904)	(2,563)
Loss for the year	-	-	(26,637)	(26,637)
At 31 March 2022	**25**	**2,316**	**(31,541)**	**(29,200)**

Share premium represents the excess over nominal value of the fair value of consideration received for equity shares.

The notes on pages 46 to 51 form part of these financial statements.

Notes to the Company Financial Statements (continued)
at 31 March 2022

1. *Authorisation of financial statements and statement of compliance with FRS 101*

The Company financial statements for the period ended 31 March 2022 were authorised for issue by the board of directors on 14 December 2022 and the balance sheet was signed on the board's behalf by Stuart Purves. Project Gateway Topco Limited is incorporated and domiciled in England.

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and in accordance with applicable accounting standards. The Company has adopted an IAS 1 format in its financial statements, as permitted by FRS 101 (amended July 2015) using the 'adapted formats' in company law, as amended by SI 2015/980.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

The principal accounting policies adopted by the Company are set out in note 2.

2. Accounting policies

Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the period ended 31 March 2022.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

a) the requirements of IFRS 7 Financial Instruments: Disclosures;

b) the requirements of paragraphs 91 – 99 of IFRS 13 Fair Value Measurement;

c) the requirements of IAS 7 Statement of Cash Flows;

d) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;

e) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such a member;

f) the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 'Presentation of Financial Statements';

g) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a)(iv) of IAS 1; and

h) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to135(e) of IAS 36 Impairment of Assets.

Basis of measurement

The Company financial statements are prepared on the historical cost basis.

Going concern

On 10 August 2022, Project Gateway Midco 2 Limited (a subsidiary of the Company's sole investment, Project Gateway Midco 1 Limited) completed an agreement to sell 100% of the Video business (held under ownership via subsidiaries through Project Gateway Bidco Limited) to George Bidco Limited, a Company incorporated in England & Wales.

Notes to the Company Financial Statements (continued)
at 31 March 2022

2. Accounting policies (continued)

Going concern (continued)

Following this transaction, the directors intend to wind down the affairs of the Company and its remaining subsidiaries. As a result, the do not consider the Company to be a going concern and have therefore prepared these financial statements on a basis other that the going concern. There were no adjustments to the financial statements as a result of being prepared on a basis other than that of a going concern.

Critical accounting judgements and key sources of estimation uncertainty

The key accounting judgement of the Company is the carrying value of its investments in subsidiary undertakings. The Company does not deem its investments in subsidiary undertakings to be impaired.

Investments

Fixed asset investments in subsidiaries' shares are held at cost less any accumulated impairment losses in accordance with IAS 27: 'Separate financial statements'.

Impairment

The Company's accounting policies in respect of impairment of financial assets are consistent with the Group.

The carrying values of investments in subsidiary undertakings are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Financial instruments

The company's financial risk management policies are consistent with those of the Group, where applicable, and are described in the Strategic Report on pages 2 to 4 and note 15 to the consolidated financial statements.

Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised, or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Income tax is charged or credited to the Income statement if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

Notes to the Company Financial Statements (continued)
at 31 March 2022

3. Employees

There are no employees in the Company during the period. Directors' emoluments were borne by Project Gateway Bidco Limited.

4. Investments

	Shares in Group undertakings £'000
Cost	
At 31 March 2021 and 31 March 2002	10,444
Amounts provided	
At 31 March 2021	-
Provision for impairment	(10,444)
At 31 March 2022	(10,444)
Net book value	
At 31 March 2022	-
At 31 March 2021	10,444

All of the Company's investments are unlisted. Details of the Company's subsidiary undertakings as at 31 March 2022 are disclosed in note 23 of the Group consolidated financial statements. The impairment of investments of £10,444,000 reflects the reduced deemed recoverable value of the subsidiary entity, which was calculated in reference to the deemed value attached to the sale of the business by George Bidco Limited as disclosed in note 8.

5. Amounts owed by group undertakings

	Gross and Net carrying amounts 2022 £'000	Gross and Net carrying amounts 2021 £'000
Amounts falling due after one year		
Amounts owed by subsidiary company – interest bearing	**14,376**	**26,130**
Amounts falling due within one year		
Amounts owed by group company – non-interest bearing	**144**	**144**

The intragroup interest-bearing loan has an interest rate of 11%.

The amounts owed by subsidiary company falling due after one year is net of a provision of £13,844,000 (2021: £nil)

Notes to the Company Financial Statements (continued)
at 31 March 2022

6. Share capital

	Number	£'000
Authorised, allotted, called-up and fully paid		
Ordinary 'A' Shares of 1 pence each		
At 31 March 2021	1,960,000	20
At 31 March 2022	**1,960,000**	**20**
Ordinary 'B1' Shares of 1.5 pence each		
At 31 March 2021	119,000	2
At 31 March 2022	**119,000**	**2**
Authorised, allotted, called-up and fully paid		
Ordinary 'B2' Shares of 1 pence each		
At 31 March 2021	219,333	2
At 31 March 2022	**219,333**	**2**
Authorised, allotted, called-up and fully paid		
Ordinary 'B3' Shares of 3 pence each		
At 31 March 2021	35,000	1
At 31 March 2022	**35,000**	**1**
Authorised, allotted, called-up and fully paid (classified as financial liabilities)		
Preference Shares of £1 each		
At 31 March 2021	8,247,547	8,248
At 31 March 2022	**8,247,547**	**8,248**

During the year ended 31 March 2021 7,500 Ordinary 'B2' shares of 1p were allotted, at an issue price of £2, fully paid, giving rise to a share premium of £14,925. No shares were issued in the year ended 31 March 2022

Ordinary 'A' shares

These shares have full voting rights with one vote per share. They rank pari passu (though after Preference shares) with all other shares in respect of dividend payments and return of capital.

Ordinary 'B1' shares

These shares have full voting rights with one and a half votes per share. They rank pari passu (though after Preference shares) with all other shares in respect of dividend payments and return of capital.

Ordinary 'B2' shares

These shares have full voting rights with one vote per share. They rank pari passu (though after Preference shares) with all other shares in respect of dividend payments and return of capital.

Ordinary 'B3' shares

These shares have full voting rights with one vote per share. They rank pari passu (though after Preference and A shares respectively) with all other shares in respect of dividend payments and return of capital.

Notes to the Company Financial Statements (continued)
at 31 March 2022

6. Share capital (continued)

Preference Shares

The holders of the Preference shares have the right to a cumulative preferential cash dividend at 11% of issue price, in priority to dividends on ordinary shares. The Preference shares are not redeemable, therefore the par value of the shares has been shown as a liability due more than one year. In the event of a winding up order on the Company, the holders of Preference shares have the right only to repayment of capital paid up thereon and arrears of preference dividends to the date of payment but shall not have any further right to participate in profits or surplus assets. The preference shareholders do not have the right to vote at general meetings of the Company.

7. Financial Liabilities

	2022 £'000	2021 £'000
Non-current		
Volpi Loan notes	-	27,396
11% Preference shares	**13,228**	11,885
	13,228	39,281
Current		
Volpi Loan notes	**30,492**	-
	30,492	-

The loan notes are redeemable at par together with accrued interest on the earlier of the occurrence of an exit or the loan repayment date of 31 December 2022. Interest is payable at 11%.

8. Related party transactions

The Company has taken advantage of the exemption conferred by FRS 101 not to disclose transactions with its wholly owned subsidiaries.

	2022 £'000	2021 £'000
Interest and fees accrued/paid to related parties		
Lux Capital Lux III S.à.r.l Loan notes	**3,092**	2,778
Neville Davis Loan notes	**4**	4
Lux Capital Lux III S.à.r.l 11% Preference shares	**1,341**	1,205
Neville Davis 11% Preference shares	**2**	2
Amounts owed to related parties		
Lux Capital Lux III S.à.r.l Loan notes	**30,451**	27,359
Neville Davis Loan notes	**41**	37
Lux Capital Lux III S.à.r.l 11% Preference shares	**13,210**	11,869
Neville Davis 11% Preference shares	**18**	16

Notes to the Company Financial Statements (continued)
at 31 March 2022

8. Post balance sheet event

On 10 August 2022, Project Gateway Midco 2 Limited (a subsidiary of the Company's investment Project Gateway Midco 1 Limited) completed an agreement to sell 100% of the Video business (held under ownership via subsidiaries through Project Gateway Bidco Limited) to George Bidco Limited, a company incorporated in England & Wales.

Following this transaction, the directors intend to wind down the affairs of the Company and its remaining subsidiaries in an orderly fashion in due course.