Parent Company accounts of Applied Image Recognition Limited Co # 05095689

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REGISTERED NUMBER: 13221295 (England and Wales)

Report of the Directors and

Financial Statements for the period ended 31 March 2023

for

George Topco Limited

Contents of the Financial Statements
For the period ended 31 March 2023

Company Information

for the period ended 31 March 2023

DIRECTORS:	Zak Doffman Crevan O'Grady Stuart Purves Thomas Alexander Thomas Stephens James Supple
REGISTERED OFFICE:	Milton Gate 60 Chiswell Street London United Kingdom EC1Y 4AG
REGISTERED NUMBER:	13221295 (England and Wales)
INDEPENDENT AUDITORS:	BDO LLP 55 Baker Street London United Kingdom W1U 7EU

Strategic Report

for the period ended 31 March 2023

The directors present their Strategic Report of George Topco Limited for the year ending 31 March 2023, and the Digital Barriers Group for the period from incorporation on 10th August 2022 to 31 March 2023.

Financial Review

George 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.

This is the first set of financial statements for the Group since the acquisition by George Bidco Limited, a company incorporated in England and Wales, following its 100% purchase of the Group (held under ownership via subsidiaries through Project Gateway Bidco Limited). The sale was financed by funds under the control of 3i Group plc together with reinvestment from Volpi Capital (the majority investor in the Digital Barriers Group prior to the sale), and was done to fund the next stage of growth of the business, as it continues its transition into a channel-focused video surveillance solutions provider.

From the period of incorporation to 31 March 2023, the Group reported an Adjusted EBITDA loss (which includes amongst other: earnings before interest, tax, depreciation, amortisation, acquisition related costs, re-organisation costs, exchange gains/losses) of £5.1m on revenues of £3.1m. The operating loss was £10.9m, with a net cash outflow in operating activities of £9.0m.

Management uses Adjusted EBITDA as its key measure of profitability. The costs between Adjusted EBITDA and statutory operating loss relate to items which management do not consider a true cost to the business (i.e. amortisation of intellectual property and customer relationships), foreign exchange losses and a number of other costs that were one-off / non-recurring in nature. A reconciliation from operating loss to Adjusted EBITDA is detailed below:

Adjusted EBITDA

	2023 £'000
Operating loss	**(10,905)**
Add back:	
Depreciation and amortisation	**1,668**
EBITDA	**(9,237)**
Add back:	
Acquisition related costs	3,753
Reorganisation costs	104
Gain on disposals	(7)
Exchange loss	296
Loan listing costs	15
France Statutory Pension – changes	(26)
France tax credit – changes	10
***Adjusted EBITDA**	**(5,092)**

* 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.

Strategic Report (continued)

for the period ended 31 March 2023

The financial performance during the year was significantly below expectations, reflecting a downturn in revenues from our traditional Defence customers (whose procurement plans during the year were disrupted by the Russian invasion of Ukraine), slow recovery from pandemic-related funding issues among our Philippines customer base, and our larger US Federal customers pausing procurement until our next-gen EdgeVis Video Router was launched. In addition, the slower revenue recognition arising from fixed-term SAAS contracts with channel partners exacerbates the low level of reported revenue.

However, the group made strong strategic progress during the year following the external investment. A number of senior hires were recruited and brought into the business, adding a wealth of knowledge and leadership skills within their respective teams. Our new VSAAS platform, CloudVis, was launched during the year through Vodafone and feedback has been positive, while our EdgeVis Video Router product has been onboarded by AT&T in the US and has been well received in trials. In addition, we note that since year-end, a number of key sales have been received from Defence, US Federal and Asia Pacific customers. As such, the Directors consider that the outlook for the Group and its long term growth is positive.

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

Whilst the acquisition during the year has provided greater security from a funding perspective, in order to enable the Group to progress through further stages of development it may be desirable funding to 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 funding will depend on progress with stated strategy and trading prospects.

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.

Strategic Report (continued)

for the period ended 31 March 2023

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. Military conflict

A significant proportion of the Group's revenues are generated from NATO, EU and other allied defence and related government agency customers, who purchase purely defensive products from Digital Barriers for the purposes of border security and surveillance. While an increased international security context tends to be positive for Digital Barriers revenues, in the event of outright military conflict such customers tend to divert spending toward offensive equipment that Digital Barriers does not supply, causing a decrease in demand for our technologies given limited budgets.

8. 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.

9. 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.

10. 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.

This report was approved by the board on 09 February 2024 and signed on its behalf by:

Stuart Purves

Chief Financial Officer, 09 February 2024

Directors' Report

for the period ended 31 March 2023

The Directors present their report together with the audited consolidated financial statements for George Topco Limited (the 'Company') for the year ending 31 March 2023 and its subsidiaries (together referred to as the 'Group') for the period from incorporation on 10 August 2022 to 31 March 2023.

Results and dividends

The results of the period ended 31 March 2023 are disclosed on page 11 and show a loss after taxation of £13.3m. No dividends have been paid or proposed in the period.

Directors

The directors shown below have held office during the from incorporation to the date of this report (unless otherwise stated).

Thomas Alexander

Zak Doffman

Crevan O'Grady

Stuart Purves

Thomas Stephens

James Supple

Post Balance Sheet Events

On 14th June 2023, George Midco 1 Ltd listed its £30.1m secured loan notes onto The International Stock Exchange (TISE), based in Guernsey. On the same day, George Holdco Ltd also listed its £9.5m unsecured loan notes onto TISE. Refer to note 23 for more details in relation to these amounts.

On the 25th January 2024 an additional secured loan note of £5.0m was issued by George Midco 1 Ltd, which was supplementary to the original loans issued on the 10th August 2022. This was done to raise additional funding for the Group to drive growth and to support its ongoing activities.

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

The board has carefully considered those factors that are likely to affect the Group and Parent Company's performance, and its ability to operate within its current financial resources. The going concern assessment of the Parent Company is dependent on that of the wider group and therefore, the going concern assessment of the Parent Company was performed as part of the Group's going concern assessment.

For the purpose of assessing Going Concern, the directors have assessed the principal trading risks in light of the most up to date performance of the Group and is confident that the business will achieve its strategic targets over the next 12 months from the date of approval of these financial statements. As part of this process. the directors reviewed a number of trading forecast scenarios, including a severe downside scenario, to understand the impact of continued underperformance.

The key assumptions in this severe downside scenario include two years of significant sales underperformance, missing its latest sales forecast (as measured by the "Total Contract Margin" of its sales) in the year ending March 2024 ("FY 24") by 20%, with only 2% growth in the year ending March 2025 and minimal overhead mitigation in either year. Such a scenario remains plausible given that the level of underperformance in the Group's previous trading year was more severe than this scenario, and the degree of recovery as we come to the end of the March 2024 year end remains uncertain. However, the Directors

Directors' Report (continued)

for the period ended 31 March 2023

Going concern (continued)

consider it unlikely that this will happen given traction with its major customers in recent years, and the level of historical performance in the years prior to Covid disruption and the Ukraine war.

As disclosed in Note 23 on "Post Balance Sheet Events", the existing investors of the business (primarily comprising funds advised by 3i Group plc and Volpi Capital LLP) invested a further £5m of cash into the business on 26th January 2024. With this new funding now secured, in the event of the severe downside scenario described above, the Group would need to recover at least £1.3m of an overdue debtor balance owed by a partner in the Philippines by December 2024 to be able to continue trading as a going concern, or otherwise raise additional financing.

Regarding the overdue debtor owed by the partner in the Philippines, US$6.3 million was overdue as at 31 March 2023 (provided in full on the consolidated statement of financial position) and US$0.4 million has been recovered since. A repayment plan is in place with the partner from who we are expected to recover at least a further US$2.75 million (£2.2 million) by the end of the quarter ending 30 June 2024, and the Directors are confident that this will be achieved. However, given the age and nature of this debtor, it is plausible that it will not be sufficiently recovered and therefore the Group may need to find additional savings in overheads or obtain additional funding to continue trading as a going concern.

In light of this, the principal investors have confirmed to the directors that they remain supportive shareholders of the Group and Parent Company; however, additional funding has not been committed as at the date of approval of these financial statements.

These events or conditions (namely, the recovery of the Philippines debtor or otherwise raising additional financing) indicate that a material uncertainty exists which may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern and therefore, the Group and Parent Company may be unable to realise their assets and discharge their liabilities in the normal course of business. These financial statements do not include the adjustments that would result if the Group and Parent Company were unable to continue as going concerns.

Despite the existence of this material uncertainty, the Board confirms that it has a reasonable expectation that the Group and Parent Company will continue as going concerns. Therefore, these financial statements have been prepared on the basis of accounting policies applicable to a going concern.

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: 09 February 2024

Directors' Responsibilities Statement

for the period ended 31 March 2023

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 it is inappropriate to presume that the company will continue in business.

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

Independent auditor's report to the members of George Topco Limited for the period ended 31 March 2023

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 March 2023 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;
- 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 George Topco Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 March 2023 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 Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 to the consolidated financial statements, which indicates that the Group and Parent Company are dependent on the recovery of the Philippines debtor or raising additional financing from their investors which is not guaranteed. As stated in note 1, these events or conditions, along with other matters as set forth in note 1, indicate that a material uncertainty exist that may cast significant doubt on the Group and Parent Company's ability to continue as going concerns. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors report and financial statements, 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 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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the applicable accounting framework and UK tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be regulations such as NI and VAT requirements.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations; and
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
    - Detecting and responding to the risks of fraud; and
    - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and revenue recognition.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias:
    - With regards to the risk of fraud in revenue recognition for open contracts, our procedures included assessing whether the revenue recognition policies adopted by the Group and Company comply with accounting standards. We checked a sample of revenue transaction amounts recognised around year end against the date the performance obligation was satisfied to check that revenue was recorded in the correct period and deferred revenue was appropriately calculated.
    - With regards to fair value of allocated acquisition cost for acquired assets and assumed liabilities. We have evaluated the reasonableness of the estimates and assumptions of future cash flow projections from the acquired business and selection of models to compute the fair value of the acquired component and their depreciation period with our valuation team.
    - With regards to recoverability of debtors, we conducted an examination by assessing the reasonableness of the provision for doubtful debts. Our testing involved the analysis of receipts post-year-end associated with the debtors' balance at the close of year to ascertain the amount recovered subsequent to the year-end.
- Our audit planning identified fraud risks in relation to management override of controls and inappropriate or incorrect recognition of revenue (revenue recognition assessed for each stream). We

reviewed the revenue recognition process per stream and identified potential gaps in the process to identify what could go wrong and how it could result in incorrect revenue recognition. We obtained an understanding of the processes and controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how management monitors that processes and controls.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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
F8493870ED83418...

Tom Laird (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
09/02/2024

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

Consolidated income statement

for the period ended 31 March 2023

	Notes	Period from incorporation to 31 March 2023 £'000	Unaudited 31 March 2022 £'000
Revenue	2	**3,095**	-
Cost of sales		**(1,197)**	-
Gross profit		**1,898**	-
Depreciation	8	**(412)**	-
Amortisation	10	**(1,256)**	-
Other administration costs		**(11,135)**	-
Administration costs		**(12,803)**	-
Operating loss	3	**(10,905)**	-
Finance income	5	**11**	-
Finance costs	6	**(2,459)**	-
Loss before tax		**(13,353)**	-
Income tax	7	**59**	-
Loss after tax attributable to owners of the parent		**(13,294)**	-

The notes on pages 17 to 45 form part of these consolidated financial statements.

Consolidated statement of comprehensive income

for the period ended 31 March 2023

	Period from incorporation to 31 March 2023 £'000	Unaudited 31 March 2022 £'000
Loss for the period	**(13,294)**	-
Other comprehensive income		
Exchange differences on retranslation of foreign operations	**105**	-
Net other comprehensive income	**105**	-
Total comprehensive loss attributable to owners of the parent	**(13,189)**	-

The notes on pages 17 to 45 form part of these consolidated financial statements.

Consolidated statement of financial position

for the period ended 31 March 2023

	Notes	31 March 2023 £'000	Unaudited 31 March 2022 £'000
Non-current assets			
Property, plant and equipment	8	**1,001**	-
Goodwill	9	**8,048**	-
Other intangible assets	10	**11,855**	-
		20,904	-
Current assets			
Inventories	11	**2,118**	-
Trade and other receivables	12	**1,459**	-
Current tax recoverable		**88**	-
Cash and cash equivalents	17	**9,032**	-
		12,697	-
Total assets		**33,601**	-
Equity and liabilities			
Equity share capital	15	**8**	-
Share premium		**410**	-
Convertible Loan Notes	15	**117**	-
Translation reserve		**105**	-
Retained earnings		**(13,294)**	-
Total equity		**(12,654)**	-
Non-current liabilities			
Financial liabilities	14	**39,604**	-
Leasehold liabilities	18	**281**	-
Provisions	19	**115**	-
Trade and other payables	13	**412**	-
		40,412	-
Current liabilities			
Financial Liabilities	14	**2,431**	
Leasehold liabilities	18	**285**	-
Provisions	19	**237**	-
Trade and other payables	13	**2,890**	-
		5,843	-
Total liabilities		**46,255**	-
Total equity and liabilities		**33,601**	-

The notes on pages 17 to 45 form part of these consolidated financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 09 February 2024.

They were signed on its behalf by:

Stuart Purves
Chief Financial Officer
Date: 09 February 2024
Company Number 13221295

Consolidated statement of changes in equity

for the period ended 31 March 2023

	Share capital £'000	Share premium account £'000	Convertible loan Notes £'000	Translation reserve £'000	Retained Earnings £'000	Total equity £'000
From incorporation	-	-	-	-	-	-
Profit / (Loss) for the period	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-
At 31 March 2022 (unaudited)	-	-	-	-	-	-
Shares issued	8	410	117	-	-	535
Loss for the period	-	-	-	-	(13,294)	(13,294)
Other comprehensive income	-	-	-	105	-	105
Total comprehensive gain/(loss)	-	-	-	105	(13,294)	(13,189)
At 31 March 2023	**8**	**410**	**117**	**105**	**(13,294)**	**(12,654)**

The notes on pages 17 to 45 form part of these consolidated financial statements.

Consolidated statement of cash flows
for the period ended 31 March 2023

	Notes	Period ended 31 March 2023 £'000	Unaudited 31 March 2022 £'000
Operating activities			
Loss before tax		**(13,353)**	-
Non-cash adjustment to reconcile loss before tax to net cash flows			
Depreciation of property, plant and equipment	8	**139**	-
Depreciation of right-of-use asset	8	**273**	-
Amortisation of intangible assets	10	**1,256**	-
Unrealised loss on foreign exchange		**296**	-
Research and development expenditure credit		**(30)**	-
Loss on disposal of property, plant and equipment		**7**	-
Net finance costs		**2,448**	-
Working capital adjustments:			
Decrease in trade and other receivables		**674**	-
Increase in inventories		**(506)**	-
Decrease in trade and other payables		**(335)**	-
Increase in deferred income		**98**	-
Decrease in provisions		**(30)**	-
Cash utilised from operations		**(9,063)**	-
Interest paid		**(33)**	-
Interest received		**11**	-
Tax received		**74**	-
Net cash flow utilised in operating activities		**(9,011)**	-
Investing activities			
Purchase of property, plant and equipment	8	**(250)**	-
Purchase of intangible assets	10	**(1,003)**	-
Acquisition of subsidiary, net of cash & debt acquired	16	**(14,155)**	-
Net cash flow utilised in investing activities		**(15,408)**	-
Financing activities			
Proceeds from issue of shares	15	**306**	-
Proceeds from issue of loan notes	14	**39,468**	-
Repayment of obligations under leases	18	**(314)**	-
Revolving credit facility repayments		**(6,000)**	-
Net cash flow from financing activities		**33,460**	-
Net increase in cash and cash equivalents		**9,041**	-
Net cash and cash equivalents at incorporation		-	-
Effect of foreign exchange rate changes on cash and cash equivalents		**(9)**	-
Net cash and cash equivalents at end of period		**9,032**	-

The notes on pages 17 to 45 form part of these consolidated financial statements.

Notes to the consolidated financial statements

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 period ended 31 March 2023 and applied in accordance with the Companies Act 2006.

The Financial Statements were authorised for issue by the Board of Directors on 09 February 2024 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 that are likely to affect the Group and Parent Company's performance, and its ability to operate within its current financial resources. The going concern assessment of the Parent Company is dependent on that of the wider group and therefore, the going concern assessment of the Parent Company was performed as part of the Group's going concern assessment.

For the purpose of assessing Going Concern, the directors have assessed the principal trading risks in light of the most up to date performance of the Group and is confident that the business will achieve its strategic targets over the next 12 months from the date of approval of these financial statements. As part of this process, the directors reviewed a number of trading forecast scenarios, including a severe downside scenario, to understand the impact of continued underperformance.

The key assumptions in this severe downside scenario include two years of significant sales underperformance, missing its latest sales forecast (as measured by the "Total Contract Margin" of its sales) in the year ending March 2024 ("FY 24") by 20%, with only 2% growth in the year ending March 2025 and minimal overhead mitigation in either year. Such a scenario remains plausible given that the level of underperformance in the Group's previous trading year was more severe than this scenario, and the degree of recovery as we come to the end of the March 2024 year end remains uncertain. However, the Directors consider it unlikely that this will happen given traction with its major customers in recent years, and the level of historical performance in the years prior to Covid disruption and the Ukraine war.

As disclosed in Note 23 on "Post Balance Sheet Events", the existing investors of the business (primarily comprising funds advised by 3i Group plc and Volpi Capital LLP) invested a further £5m of cash into the business on 26th January 2024. With this new funding now secured, in the event of the severe downside scenario described above, the Group would need to recover at least £1.3m of an overdue debtor balance owed by a partner in the Philippines by December 2024 to be able to continue trading as a going concern, or otherwise raise additional financing.

Regarding the overdue debtor owed by the partner in the Philippines, US$6.3 million was overdue as at 31 March 2023 (provided in full on the consolidated statement of financial position) and US$0.4 million has been recovered since. A repayment plan is in place with the partner from who we are expected to recover at least a further US$2.75 million (£2.2 million) by the end of the quarter ending 30 June 2024, and the Directors are confident that this will be achieved. However, given the age and nature of this debtor, it is plausible that it will not be sufficiently recovered and therefore the Group may need to find additional savings in overheads or obtain additional funding to continue trading as a going concern.

In light of this, the principal investors have confirmed to the directors that they remain supportive shareholders of the Group and Parent Company; however, additional funding has not been committed as at the date of approval of these financial statements.

These events or conditions (namely, the recovery of the Philippines debtor or otherwise raising additional financing) indicate that a material uncertainty exists which may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern and therefore, the Group and Parent Company may

Notes to the consolidated financial statements (continued)

1. Accounting policies (continued)

Basis of preparation (continued)

be unable to realise their assets and discharge their liabilities in the normal course of business. These financial statements do not include the adjustments that would result if the Group and Parent Company were unable to continue as going concerns.

Despite the existence of this material uncertainty, the Board confirms that it has a reasonable expectation that the Group and Parent Company will continue as going concerns. Therefore, these financial statements have been prepared on the basis of accounting policies applicable to a going concern.

Basis of consolidation

The consolidated financial statements for the year include those of George Topco Limited and its subsidiary undertakings (together 'the Group') drawn up at 31 March 2023.

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 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

Notes to the consolidated financial statements (continued)

1. Accounting policies (continued)

Critical accounting estimates and judgements (continued)

in note 10, 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 9. The carrying amount of other intangible assets is disclosed in note 10.

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.

Notes to the consolidated financial statements (continued)

1. Accounting policies (continued)

Business combinations and goodwill (continued)

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.

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;
- 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

Revenue from the sale of licences, extended warranty and support is recognised on a straight-line basis.

Notes to the consolidated financial statements (continued)

1. Accounting policies (continued)

Revenue (continued)

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.

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: 100%

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.

Notes to the consolidated financial statements (continued)

1. Accounting policies (continued)

Income taxes (continued)

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.

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;
- Convertible loan notes represents amounts which are interest free, have no maturity date and conversion is at a fixed rate, with the amounts being convertible into Ordinary 'A' Shares upon maturity. The loan notes are included within equity at fair value;
- 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; 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.

Notes to the consolidated financial statements (continued)

1. Accounting policies (continued)

Research and development costs (continued)

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 £1.0m have been capitalised in the period.

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;
- 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

Notes to the consolidated financial statements (continued)

1. Accounting policies (continued)

Financial instruments (continued)

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.

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 2023.

Accounting standards that are newly effective in the current financial year or are not yet effective

New standards, interpretations and amendments effective during the current financial year

The following amendments are effective during the current financial year:
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

Notes to the consolidated financial statements (continued)

1. Accounting policies (continued)

Whilst the above amendments have been considered, they have had no impact on the group.

New standards, interpretations and amendments not yet effective

The following amendments are effective for the period beginning 1 January 2023:
• Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
• Definition of Accounting Estimates (Amendments to IAS 8); and
• Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

The following amendments are effective for the period beginning 1 January 2024:
• IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback).
• IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current).
• IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants).

The Group does not expect any other standards issued by the IASB, but not yet effective, 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 during the period represented £395,000, £247,000, £187,000, £177,000 and £175,000 of Group turnover for the period (2022: Nil).

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.

	2023 £'000	Unaudited 2022 £'000
United States of America	**514**	-
Philippines	**51**	-
United Kingdom	**1,668**	-
Sweden	**79**	-
Singapore	**91**	-
Germany	**196**	-
France	**42**	-
Australia	**141**	-
Indonesia	**113**	-
Rest of World	**200**	-
	3,095	-

Product Type:

	2023 £'000	Unaudited 2022 £'000
Hardware	**1,950**	-
Software	**280**	-
Development/Service	**865**	-
	3,095	-

Recognition type:

	2023 £'000	Unaudited 2022 £'000
Revenue recognised at point of delivery	**2,383**	-
Revenue recognised over time – support revenue	**712**	-
	3,095	-

In addition to the above information, a table in note 13 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):

	2023 £'000	Unaudited 2022 £'000
Acquisition related costs	3,753	-
Depreciation of property, plant and equipment, including right-of-use assets	412	-
Amortisation of intangible assets initially recognised on acquisition	1,149	-
Amortisation of other intangibles	107	-
Research and development costs	269	-
Travel and subsistence	310	-
Reorganisation costs	104	-
Exchange differences	296	-

Auditors' remuneration

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

	2023 £'000	Unaudited 2022 £'000
Audit services		
Fees payable to the Company's auditor for the audit of the financial statements	40	-
Audit of the Company's subsidiaries	134	-
	174	-

4. Employees

	At 31 March 2023	Unaudited At 31 March 2022
Number of employees	94	-

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

	Average 2023	At 31 March 2023	Unaudited Average 2022	Unaudited At 31 March 2022
Directors	3	3	-	-
Business units	82	80	-	-
Corporate	12	11	-	-
	97	94	-	-

Notes to the consolidated financial statements (continued)

4. Employees (continued)

The employee benefit expense for the period amounted to:

	2023 £'000	Unaudited 2022 £'000
Salaries and short-term employee benefits	**4,598**	-
Social security costs	**545**	-
Pension costs	**439**	-
	5,582	-

Additional information on Directors remuneration is disclosed in note 21.

5. Finance income

	2023 £'000	Unaudited 2022 £'000
Bank short term deposits interest	**11**	-
	11	-

6. Finance costs

	2023 £'000	Unaudited 2022 £'000
Interest on loan notes – 11%	**2,430**	-
Unwind of discounting on leasehold liabilities	**29**	-
	2,459	-

7. Taxation

	2023 £'000	Unaudited 2022 £'000
Current tax		
Corporation tax	-	-
Overseas tax	**(59)**	-
Total tax charge/(credit) for the period	**(59)**	-
Deferred tax		
Origination and reversal of temporary differences	-	-
Adjustment in respect of prior year	-	-
Total tax credit for the period	-	-

Notes to the consolidated financial statements (continued)

7. 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:

	2023 £'000	Unaudited 2022 £'000
Loss before tax	**(13,353)**	-
Tax at the UK corporation tax rate of 19%	**(2,537)**	-
Tax effects of:		
Expenses not deductible for tax purposes	**744**	-
Income not taxable	**(256)**	-
Tax Rate Changes	**-**	-
Difference in foreign tax rate	**(47)**	-
Amounts not recognised	**2,155**	-
Total tax credit for the year	**59**	-

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

Unrelieved tax losses amounting to approximately £87.0 million, which are available indefinitely for offset against future taxable trading profits, A deferred tax asset has not been recognised on £16.5 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.

The unrecognised deferred tax asset at 31 March 2023 has been calculated at 25% (2022: n/a).

Notes to the consolidated financial statements (continued)

8. 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						
Additions	13	3	72	162	20	**270**
On acquisition	75	32	140	120	767	**1,134**
Disposals	-	-	(23)	-	(29)	**(52)**
Exchange movements	(2)	-	(4)	-	12	**6**
At 31 March 2023	**86**	**35**	**185**	**282**	**770**	**1,358**
Accumulated depreciation						
Charge for period	19	11	54	55	273	**412**
Disposals	-	-	(23)	-	(29)	**(52)**
Exchange movements	-	-	(1)	-	(2)	**(3)**
At 31 March 2023	**19**	**11**	**30**	**55**	**242**	**357**
Net book value						
At 31 March 2023	**67**	**24**	**155**	**227**	**528**	**1,001**

The property, plant and equipment balance from period of incorporation to the period ending at 31 March 2022 (unaudited) for the dormant company was nil.

Notes to the consolidated financial statements (continued)

9. Goodwill

	Goodwill £'000
Acquisition of Digital Barries Business	8,048
At 31 March 2023	**8,048**

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. Despite the transaction taking place during the year, an impairment test was still conducted which was completed as at 31 March.

The calculation uses cash flow projections based on an annual financial forecast through to March 2028, the key assumptions in which were as follows:

	March 2023
Revenue compound annual growth rate from FY23 to FY28	79%
Revenue growth from FY29 onwards	2%
Gross margin (decline) FY23 to FY28	(4%)
Discount rate	13%

Following sensitivity analysis being performed, the Directors have concluded that no impairment loss arose in the year ended 31 March 2023.

The goodwill balance from period of incorporation to the period ending at 31 March 2022 (unaudited) for the dormant company was nil.

Notes to the consolidated financial statements (continued)

10. Other intangible assets

	Patents, Trademarks & Brand £'000	Intellectual property, Software & Technology £'000	Customer relationships £'000	Capitalised Development £'000	Total £'000
Cost					
On acquisition	592	6,501	5,015	-	12,108
Additions	-	23	-	980	1,003
At 31 March 2023	**592**	**6,524**	**5,015**	**980**	**13,111**
Accumulated amortisation					
Charge for the period	25	832	322	77	1,256
At 31 March 2023	**25**	**832**	**322**	**77**	**1,256**
Net book value					
At 31 March 2023	**567**	**5,692**	**4,693**	**903**	**11,855**

Sensitivity analysis, using reasonable movements in assumptions, has not indicated any 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 2023 £'000	Remaining useful life Years 2023
Videotech Business - Technology	**5,458**	**4.4**
Videotech Business - Customer Relationships (law enforcement and commercial)	**3,226**	**9.4**
Videotech Business - Customer Relationships (law enforcement and commercial)	**1,467**	**9.4**
Videotech Business - Brand	**567**	**14.4**

The other intangible assets balance from period of incorporation to the period ending at 31 March 2022 (unaudited) for the dormant company was nil.

Notes to the consolidated financial statements (continued)

11. Inventories

	2023 £'000
Raw materials	629
Finished goods and goods for resale	1,489
	2,118

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

	Total £'000
On acquisition	500
Released	(7)
Written off	(377)
Increase to provision	302
At 31 March 2023	**418**

The inventory and stock provision balance from the period of incorporation to the period ending 31 March 2022 (unaudited) for the dormant company was nil.

12. Trade and other receivables

	Gross carrying amounts 2023 £'000	Provision for impairment 2023 £'000	Net carrying amounts 2023 £'000
Trade receivables	5,762	(5,073)	689
Social security & other taxes	170	-	170
Prepayments	339	-	339
Accrued income	81	(51)	30
Other receivables	231	-	231
	6,583	(5,124)	1,459

The Group's credit risk on trade and other receivables is primarily attributable to trade receivables and amounts recoverable on contracts. Two customers represent £284,000 of the Group's trade receivables as at 31 March 2023.

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:

	2023 £'000
Government customers	197
Commercial customers	492
	689

Notes to the consolidated financial statements (continued)

12. 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 2023 under IFRS 9:

	Gross carrying amount £'000	Loss allowance £'000	Net carrying amount £'000
Not due	573	-	573
More than one month less than three months past due	116	-	116
More than three months but not more than six months past due	-	-	-
More than six months past due	5,073	(5,073)	-
	5,762	**(5,073)**	**689**

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

	£'000
On acquisition	5,399
Amounts recognised in the income statement	28
Written off	(236)
Foreign Exchange	(67)
At 31 March 2023	**5,124**

The trade receivables and provision for doubtful debts balance from the period of incorporation to the period ending 31 March 2022 (unaudited) for the dormant company was nil.

13. Trade and other payables

Current

	2023 £'000
Trade payables	**770**
Accruals	**773**
Deferred income	**1,030**
Social security and other taxes	**220**
Other payables	**97**
	2,890

Non-Current

	2023 £'000
Deferred income	**412**

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 2023	**1,030**	**251**	**124**	**32**	**5**	**1,442**

Notes to the consolidated financial statements (continued)

13. Trade and other payables (continued)

The movement on the total deferred revenue balance from the date of acquisition is set out below.

	2023 £'000
On acquisition	**1,344**
Additions	**686**
Released	**(625)**
FX revaluations	**37**
Closing balance	**1,442**

The deferred revenue balance at 31 March 2022 (unaudited) was nil.

The trade and other payables balance from the period of incorporation to the period ending 31 March 2022 (unaudited) for the dormant company was nil.

14. Financial liabilities

	2023 £'000
Non-current	
Secured / Unsecured Loan notes - principal	**39,604**
	39,604
Current	
Secured / Unsecured Loan notes – accrued interest	**2,431**
	2,431

The loan notes are redeemable at par on the earlier of the occurrence of an exit or the loan repayment date of 10 August 2029. Interest is accrued on the loan notes which is payable at 11%.

The financial liabilities balance from the period of incorporation to the period ending 31 March 2022 (unaudited) for the dormant company was nil.

15. Share capital

	Number	£'000
Authorised, allotted, called-up and fully paid		
'A' Ordinary Shares of 1 pence each		
Shares issued in the period	285,475	3
Subdivided and redesignated from £1 ordinary shares	10,000	0
At 31 March 2023	**295,475**	**3**
Authorised, allotted, called-up and fully paid		
'B' Ordinary Shares of 1 pence each		
Shares issued in the period	425,000	4
At 31 March 2023	**425,000**	**4**

Notes to the consolidated financial statements (continued)

15. Share capital (continued)

Authorised, allotted, called-up and fully paid	Number	£'000
'C' Ordinary Shares of 1 pence each		
Shares issued in the period	75,000	1
At 31 March 2023	**75,000**	**1**

During the year ended 31 March 2023
- The Balance of 100 Ordinary shares held by the Company were subdivided and redesignated to 10,000 1 pence 'A' Ordinary shares.
- 174,868 'A' Ordinary shares of 1 pence were issued at an issue price of £0.95
- 110,607 'A' Ordinary shares of 1 pence were issued at an issue price of £0.90
- 425,000 'B' Ordinary shares of 1 pence were issued at an issue price of £0.10
- 75,000 'C' Ordinary shares of 1 pence were issued at an issue price of £1.47

The shares were issued on the 10th August 2022.

Ordinary shares

These shares had full voting rights, entitlement in respect of return of capital and dividend payments. This share class was cancelled and redesignated to 'A' Ordinary share class.

'A' Ordinary shares

These shares have full voting rights with one vote per share. They rank pari passu with 'C' Ordinary shares in respect of return of capital. Are not entitled to participate in respect of dividend payments

'B' Ordinary shares

These shares do not have voting rights. They rank pari passu with 'C' Ordinary shares in respect of dividend payments. Are not entitled to participate in any return of capital.

'C' Ordinary shares

These shares have full voting rights with one vote per share. They rank pari passu with 'B' Ordinary shares in respect of dividend payments. They rank pari passu with 'A' Ordinary shares in respect of return of capital

Convertible Loan Notes

The convertible loan notes are interest free, have no maturity date and conversion is at a fixed rate. The loan notes are included within equity at fair value.

16. Business combinations

On 10 August 2022, the Group acquired 100% of the issued share capital of the Digital Barriers Group's Business which comprised of the of Project Gateway Bidco Limited (and its subsidiaries).

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 its existing capital to retain a significant minority stake.

Notes to the consolidated financial statements (continued)

16. Business combinations (continued)

Purchase consideration

The purchase consideration for the acquisition was as follows:

	Total £'000
Cash consideration	**14,562**
Net (cash) acquired	**(407)**
Cash outflow/(inflow)	**14,155**

The initial cash consideration paid on completion for the Digital Barriers Group's Business was £20.2m, 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; with the balancing £5.5m of cash being used to fund the operations of the business. In December 2022, the investors were obligated to invest a further £10.0m post the business achieving certain operational milestones.

Assets and Liabilities

The carrying amount of assets and liabilities in the books of the acquired entities, fair value adjustments and fair value of the assets and liabilities and the associated goodwill arising from the acquisition are as follows were as follows:

	Carrying Value Total £'000	Fair Value Adjustments £'000	Fair Value Total £'000
Tangible Fixed Assets	1,135	-	1,135
Intangible Assets	13,925	(1,817)	12,108
Trade & Other Receivables	2,246	-	2,246
Current tax recoverable	24	-	24
Inventories	1,612	-	1,612
Cash and cash equivalents	407	-	407
Trade & Other payables	(4,487)	-	(4,487)
Revolving Credit Facility	(6,033)	-	(6,033)
Provisions	(383)	-	(383)
Net Assets Acquired	**8,446**	**(1,817)**	**6,629**
Goodwill			8,048
Purchase Consideration			**14,677**

Notes to the consolidated financial statements (continued)

16. Business combinations (continued)

From the date of acquisition to the 31 March 2023, the acquired business contributed the following revenue and profit before tax to the Group:

	DBSL £'000	DB Inc £'000	DB France £'000	DB Sarl £'000	Other £'000	Total £'000
Revenue (i)	1,917	566	217	394	-	**3,095**
Profit/(loss) before tax (ii)	(5,837)	(1,049)	(671)	297	(6,093)	**(13,353)**

(i) Revenue excludes intercompany revenue

(ii) "Other" includes a significant level of non-trade transactions were incurred during the year as part of the transaction

From the date of acquisition to the 31 March 2023, the acquired business contributed £3.1 million revenue and £13.4 million loss before tax. The cash flows arising from the acquisition include £20.2 million of initial cash consideration on completion and £0.4 million cash acquired.

If the acquisition had occurred at the beginning of the annual reporting period for the Group the acquired business would have contributed £4.4 million revenue and £18.0 million loss before tax.

17. 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 2023 £'000
Assets as per statement of financial position		
Trade receivables	12	**689**
Accrued income	12	**30**
Other receivables	12	**231**
Cash and cash equivalents		**9,032**
		9,982

	Note	On demand or less than one year 2023 £'000	Two to five years 2023 £'000	Greater than five years 2023 £'000	Total 2023 £'000
Liabilities					
Trade payables	13	**770**	-	-	**770**
Accruals	13	**773**	-	-	**773**
Other payables	13	**97**	-	-	**97**
Loan notes	14	**2,431**	-	**39,604**	**42,035**
Lease liabilities	18	**285**	**281**	-	**566**
		4,356	**281**	**39,604**	**44,241**

Notes to the consolidated financial statements (continued)

17. Financial instruments (continued)

The assets and liabilities balance from period of incorporation to the period ending 31 March 2022 (unaudited) for the dormant company was nil.

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 12.

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 12.

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 35% 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 £9,032,000 of which £8,343,000 are Sterling denominated and £689,000 are other currencies, mainly USD and Euro.

Notes to the consolidated financial statements (continued)

17. Financial instruments (continued)

					2023
£'000	**GBP**	**USD**	**EUR**	**Other**	**Total**
Trade receivables	**472**	**99**	**118**	**-**	**689**
Accrued income	**30**	**-**	**-**	**-**	**30**
Other receivables	**212**	**4**	**11**	**4**	**231**
Cash and cash equivalents	**8,343**	**458**	**162**	**69**	**9,032**
Trade payables	**(421)**	**(305)**	**(44)**	**-**	**(770)**
Accruals	**(615)**	**(86)**	**(53)**	**(19)**	**(773)**
Other payables	**(81)**	**-**	**(16)**	**-**	**(97)**
Loan notes	**(42,035)**	**-**	**-**	**-**	**(42,035)**
Lease liabilities	**(393)**	**(38)**	**(106)**	**(29)**	**(566)**
Net exposure to currency at 31 March 2023	**(34,488)**	**132**	**72**	**25**	**(34,259)**

	2023 £'000
If GBP had weakened against USD by 10%	**(75)**
If GBP had strengthened against USD by 10%	**75**
If GBP had weakened against EUR by 10%	**(31)**
If GBP had strengthened against EUR by 10%	**31**

Interest rate risk

The Group has £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.

The loan notes accrue interest at a fixed rate of 11% and therefore there is no significant rate risk in relation to this.

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.

Notes to the consolidated financial statements (continued)

18. Lease liabilities

The right-of-use asset has been included in property, plant and equipment on the balance sheet (note 8).

	Total £'000
On acquisition	815
Additions	20
Interest expense	29
Lease payments	(314)
Foreign exchange movements	16
At 31 March 2023	**566**

	2023 £'000
Current	**285**
Non-current	**281**
	566

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

	2023 £'000
Within one year	**285**
Two to five years	**281**
After five years	**-**
Total	**566**

The lease liability balance from period of incorporation to the period ending at 31 March 2022 (unaudited) for the dormant company was nil.

Notes to the consolidated financial statements (continued)

19. Provisions

	Restructuring provision £'000	Dilapidation provision £'000	Other provision £'000	Total £'000
On acquisition	7	89	287	383
Charged / (Released) to income statement	-	-	11	11
Utilisation	(7)	(2)	(33)	(42)
At 31 March 2023	**-**	**87**	**265**	**352**
Current	**-**	**21**	**216**	**237**
Non-current	-	**66**	**49**	**115**

The restructuring provision related to activities within Digital Barriers USA Inc and there is no further exposure.

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, a product related repair provision held within Digital Barriers Services Ltd, an employee related settlement provision and provisions for a potential tax exposure.

The provision balance from period of incorporation to the period ending at 31 March 2022 (unaudited) for the dormant company was nil.

20. Commitments

There are no capital commitments at 31 March 2023 (2022: Nil).

21. 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 George Topco Limited. Currently no employees outside of the Directors are classified as 'persons discharging managerial responsibility'.

	2023 £'000	Unaudited 2022 £'000
Directors' remuneration	**436**	-
Pension contributions	**18**	-
	454	-

The total amount payable to the highest paid director in respect of emoluments for the period ended 31 March 23 was £186,000.

	2023 £'000	Unaudited 2022 £'000
Interest accrued/paid to related parties		
Interest charged on loan notes to shareholders with significant influence	**2,395**	-
Interest charged on loan notes to directors and key management personnel	**36**	-

Notes to the consolidated financial statements (continued)

21. Related party transactions (continued)

Amounts owed to related parties	2023 £'000	Unaudited 2022 £'000
Loan notes issued to shareholder with significant influence	39,091	-
Loan notes issued to directors and key management personnel	513	-

Other transactions with directors and key management personnel are detailed below:

(1) **Director Loans**

	2023 £'000	Unaudited 2022 £'000
Balance on acquisition / prior year	122	-
Interest charged	1	-
Payments received	(13)	-
Balance at 31 March	110	-

The director loans relate to funding loans made in respect of share purchases on acquisition date. Interest has been accrued on the balances, where applicable based on the terms of the loan, at an annual rate equivalent to the office rate of interest published by HM Revenue & Customs.

(2) **Shares**

The Directors purchased shares in the period as detailed below:

	2023 Number	Unaudited 2022 Number
Zak Doffman – C ordinary shares	28,500	-
Stuart Purves – C ordinary shares	9,000	-
Tom Alexander – A ordinary shares	4,588	-
Tom Alexander – B ordinary shares	4,588	-

All shares were subscribed at the time of the acquisition of the subsidiaries.

(3) **Other Fees**

During the year, the group was charged consultancy fees of £120k (2022: Nil) by related parties in the group in the form of monitoring fees. At the year end, the group owed £47k (2022: Nil) to related parties in respect of these fees.

22. Ultimate Parent and Controlling Party

Whilst a shareholder with significant influence owns 49.9% of the George Topco's share capital, they do not have controlling rights and therefore the directors do not consider that the group or the company has a defined ultimate parent or controlling party.

Notes to the consolidated financial statements (continued)

23. Post balance sheet events

On 14th June 2023, George Midco 1 Ltd listed its £30.1m secured loan notes onto The International Stock Exchange (TISE), based in Guernsey. On the same day, George Holdco Ltd also listed its £9.5m unsecured loan notes onto TISE. The loan notes are redeemable at par, together with accrued interest which is payable at 11%, on the earlier of the occurrence of an exit or the loan repayment date of 10 August 2029.

On the 25th January 2024 an additional secured loan note of £5.0m was issued by George Midco 1 Ltd, which was supplementary to the original loans issued on the 10th August 2022. The terms of the loan and rate at which interest accrues are consistent with those mentioned above.

24. Subsidiaries

Details of the Company's subsidiary undertakings as at 31 March 2023 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
George Holdco Limited*	Holding company	Milton Gate, 60 Chiswell Street, London, EC1Y 4AG	100%	UK	England & Wales

Notes to the consolidated financial statements (continued)

Company name	Principal activity	Registered offices	Group interest	Principally operates in	Country of incorporation
George Midco 1 Limited*	Holding company	Milton Gate, 60 Chiswell Street, London, EC1Y 4AG	100%	UK	England & Wales
George Midco 2 Limited*	Holding company	Milton Gate, 60 Chiswell Street, London, EC1Y 4AG	100%	UK	England & Wales
George Bidco Limited*	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 2023 As such, the parent company has provided a guarantee against all debts and liabilities in these subsidiaries as at 31 March 2023.

^ 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 2023 (by virtue of Section 448A of the Companies Act 2006).

Company statement of financial position

for the year ended 31 March 2023

	Notes	31 March 2023 £'000	Unaudited 31 March 2022 £'000
Non-current assets			
Investments	4	**535**	-
Current assets			
Cash at bank and in hand		-	-
Total assets		**535**	-
Equity and liabilities			
Equity share capital	5	**8**	-
Share premium		**410**	-
Convertible loan notes		**117**	-
Retained earnings		-	-
Total equity		**535**	-
Total equity and liabilities		**535**	-

The notes on pages 48 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 £nil (period from incorporation to 31 March 2022: £nil).

These financial statements were approved by the Board of Directors and authorised for issue on 09 February 2024.

They were signed on its behalf by:

Stuart Purves
Chief Financial Officer
Date: 09 February 2024

Company Number 13221295

Company statement of changes in equity
at 31 March 2023

	Share capital £'000	Share premium £'000	Convertible Loan Notes £'000	Retained earnings £'000	Total equity £'000
From incorporation	-	-	-	-	-
Profit / (Loss) for the period	-	-	-	-	-
Shares issued	-	-	-	-	-
At 31 March 2022 (unaudited)	-	-	-	-	-
Profit / (Loss) for the period	-	-	-	-	-
Shares issued	8	410	117	-	535
At 31 March 2023	**8**	**410**	**117**	**-**	**535**

The notes on pages 48 to 51 form part of these financial statements.

Notes to the Company Financial Statements
at 31 March 2023

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

The Company financial statements for the period ended 31 March 2023 were authorised for issue by the board of directors on 09 February 2024 and the balance sheet was signed on the board's behalf by Stuart Purves. George 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 2023.

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
The accounts have been prepared on a going concern basis as described in note 1 of the consolidated Group financial statements.

Notes to the Company Financial Statements (continued)
at 31 March 2023

2. Accounting policies (continued)

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 17 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 2023

3. Employees

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

4. Investments

	Shares in Group undertakings £'000
Cost	
At incorporation and 31 March 2022 (Unaudited)	-
Addition	535
At 31 March 2023	535

On 10 August 2022, the Company acquired the share capital of George Holdco Limited for £535,000 for the purpose of the structure to acquire the share capital of the Digital Barriers video business from Project Gateway Midco 2 Limited. See note 16 of the Group's financial statements for further details.

All of the Company's investments are unlisted.

Details of the Company's subsidiary undertakings as at 31 March 2023 are disclosed in note 24 of the Group's financial statements.

5. Share capital

	Number	£'000
Authorised, allotted, called-up and fully paid		
Ordinary Shares of 1 pound each		
At 31 March 2022 (unaudited)	1	-
Shares issued in the period	99	-
Subdivided and redesignated to 1 pence Ordinary 'A' Shares	(100)	-
At 31 March 2023	-	-
Authorised, allotted, called-up and fully paid		
'A' Ordinary Shares of 1 pence each		
At 31 March 2022 (unaudited)	-	-
Shares issued in the period	285,475	3
Subdivided and redesignated from £1 ordinary shares	10,000	0
At 31 March 2023	**295,475**	**3**
Authorised, allotted, called-up and fully paid		
'B' Ordinary Shares of 1 pence each		
At 31 March 2022 (unaudited)	-	-
Shares issued in the period	425,000	4
At 31 March 2023	**425,000**	**4**

Notes to the Company Financial Statements (continued)
at 31 March 2023

5. Share capital (continued)

	Number	£'000
Authorised, allotted, called-up and fully paid		
'C' Ordinary Shares of 1 pence each		
At 31 March 2022 (unaudited)	-	-
Shares issued in the period	75,000	1
At 31 March 2023	**75,000**	**1**

During the year ended 31 March 2022, 1 subscriber Ordinary share of £1 was issued.

During the year ended 31 March 2023
- 99 Ordinary shares were issued of £1. The Balance of 100 Ordinary shares were subdivided and redesignated to 10,000 1 pence 'A' Ordinary shares.
- 174,868 'A' Ordinary shares of 1 pence were issued at an issue price of £0.95
- 110,607 'A' Ordinary shares of 1 pence were issued at an issue price of £0.90
- 425,000 'B' Ordinary shares of 1 pence were issued at an issue price of £0.10
- 75,000 'C' Ordinary shares of 1 pence were issued at an issue price of £1.47

Ordinary shares
These shares had full voting rights, entitlement in respect of return of capital and dividend payments. This share class was cancelled and redesignated to 'A' Ordinary share class.

'A' Ordinary shares
These shares have full voting rights with one vote per share. They rank pari passu with 'C' Ordinary shares in respect of return of capital. Are not entitled to participate in respect of dividend payments.

'B' Ordinary shares
These shares do not have voting rights. They rank pari passu with 'C' Ordinary shares in respect of dividend payments. Are not entitled to participate in any return of capital.

'C' Ordinary shares
These shares have full voting rights with one vote per share. They rank pari passu with 'B' Ordinary shares in respect of dividend payments. They rank pari passu with 'A' Ordinary shares in respect of return of capital.

Convertible Loan Notes
The convertible loan notes are interest free, have no maturity date and conversion is at a fixed rate. The loan notes are included within equity at fair value.

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

	2023 **£'000**	2022 £'000
Other transactions with directors and key management personnel:		
Shares purchased by directors and key management personnel	**60**	-