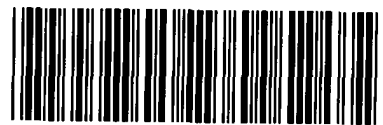


**Group Strategic Report, Report of the Director and
Consolidated Financial Statements for the Year Ended 30 April 2018
for
Computationics Group Limited**

FRIDAY



A16 *A7HUCVGR* 02/11/2018 #322
COMPANIES HOUSE

**Contents of the Consolidated Financial Statements
for the Year Ended 30 April 2018**

| | Page |
|-------------------------------------------------------|-------------|
| Company Information | 1 |
| Group Strategic Report | 2 |
| Report of the Director | 3 |
| Report of the Independent Auditors | 4 |
| Consolidated Income Statement | 6 |
| Consolidated Other Comprehensive Income | 7 |
| Consolidated Balance Sheet | 8 |
| Company Balance Sheet | 9 |
| Consolidated Statement of Changes in Equity | 10 |
| Company Statement of Changes in Equity | 11 |
| Consolidated Cash Flow Statement | 12 |
| Notes to the Consolidated Cash Flow Statement | 13 |
| Notes to the Consolidated Financial Statements | 14 |

Computationics Group Limited

**Company Information
for the Year Ended 30 April 2018**

DIRECTOR: Mr A W Foster

SECRETARY: Mrs S J Foster

REGISTERED OFFICE: 54 Chorley Road
Hilldale
PARBOLD
Lancashire
WN8 7AS

REGISTERED NUMBER: 05498299 (England and Wales)

AUDITORS: Ashworth Treasure Limited
Statutory Auditors
17-19 Park Street
Lytham
Lancashire
FY8 5LU

**Group Strategic Report
for the Year Ended 30 April 2018**

The director presents his strategic report of the company and the group for the year ended 30 April 2018.

REVIEW OF BUSINESS

The group's main activity is the manufacture, distribution and wholesale of a quality range of electronic security and life safety equipment.

The group maintains a research and development programme on a continuing basis in order to strengthen its product base. The company's total expenditure on research and development during the year was £2,139,108 (2017: £1,459,593).

The group develops and manufactures market leading and innovative technologically advanced products and has invested in a state of the art research facility in order to continue investing in new products and manufacturing techniques. The research facility enables the company to enforce its position within the market place.

The group has increased turnover by 6.5% this year, with profits before tax of £1.3 million and maintains a strong balance sheet position at the end of the year. Borrowing is low with a gearing ratio of only 9% and liquidity of 295%

PRINCIPAL RISKS AND UNCERTAINTIES

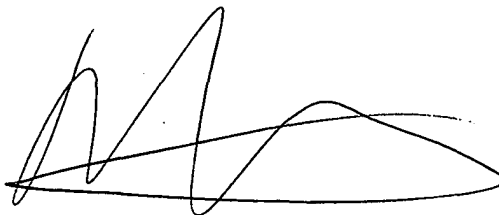
The group manages all potential risks and really only sees the threat of cheap imports from the East as a risk. Even here, the group is continually reviewing its own manufacturing processes to stay competitive.

The group is well placed and maintains a strategy of strong management and leadership which enables the companies to react quickly to any future risks or uncertainties arising out of the business environment.

The group's workforce plays a valuable part in all aspects of the business and we continue to invest in our staff and training programmes to ensure we can embrace new technologies and deliver customer needs.

Reliability and durability is built into the group's products at all stages, helping us to guarantee excellent product quality and equipment that is consistently fit for its intended purpose.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'A W Foster', written over a horizontal line.

Mr A W Foster - Director

29 October 2018

**Report of the Director
for the Year Ended 30 April 2018**

The director presents his report with the financial statements of the company and the group for the year ended 30 April 2018.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the manufacture and distribution of electronic security and life safety equipment.

DIVIDENDS

Particulars of dividends paid are detailed in the notes to the financial statements.

DIRECTOR

Mr A W Foster held office during the whole of the period from 1 May 2017 to the date of this report.

DISCLOSURE IN THE STRATEGIC REPORT

The strategic report on the preceding page provides information regarding the performance, developments, and risks and uncertainties of the company.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Group Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

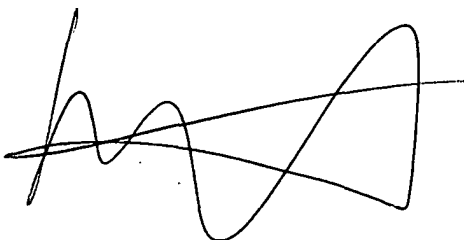
So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information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

AUDITORS

The auditors, Ashworth Treasure Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr A W Foster - Director

A handwritten signature in black ink, consisting of a series of loops and strokes, representing the signature of Mr A W Foster.

29 October 2018

Report of the Independent Auditors to the Members of Computationics Group Limited

Opinion

We have audited the financial statements of Computationics Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2018 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 30 April 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Director.

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

- adequate accounting records have not been kept 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Report of the Independent Auditors to the Members of Compuionics Group Limited

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 director determines 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 director is 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 director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Anthony Cooney (Senior Statutory Auditor)
for and on behalf of Ashworth Treasure Limited
Statutory Auditors
17-19 Park Street
Lytham
Lancashire
FY8 5LU

29 October 2018

**Consolidated Income Statement
for the Year Ended 30 April 2018**

| | | 2018 | | 2017 | |
|-------------------------------------------------|----------|-----------|------------|-----------|------------|
| | Notes | £ | £ | £ | £ |
| TURNOVER | 4 | | 17,088,040 | | 16,060,294 |
| Cost of sales | | | 9,917,703 | | 9,147,413 |
| GROSS PROFIT | | | 7,170,337 | | 6,912,881 |
| Distribution costs | | 1,658,765 | | 1,633,822 | |
| Administrative expenses | | 4,407,929 | | 4,221,551 | |
| | | | 6,066,694 | | 5,855,373 |
| | | | 1,103,643 | | 1,057,508 |
| Other operating income | | | 106,035 | | 112,008 |
| OPERATING PROFIT | 6 | | 1,209,678 | | 1,169,516 |
| Interest receivable and similar income | | | 5,114 | | 13,716 |
| | | | 1,214,792 | | 1,183,232 |
| Interest payable and similar expenses | 8 | | 63,101 | | 67,396 |
| PROFIT BEFORE TAXATION | | | 1,151,691 | | 1,115,836 |
| Tax on profit | 9 | | (280,221) | | (132,503) |
| PROFIT FOR THE FINANCIAL YEAR | | | 1,431,912 | | 1,248,339 |
| Profit attributable to: Owners of the parent | | | 1,431,912 | | 1,248,339 |

**Consolidated Other Comprehensive Income
for the Year Ended 30 April 2018**

| | Notes | 2018 £ | 2017 £ |
|---------------------------------------------------------------------|-------|------------------|------------------|
| PROFIT FOR THE YEAR | | 1,431,912 | 1,248,339 |
| OTHER COMPREHENSIVE INCOME | | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u>1,431,912</u> | <u>1,248,339</u> |
| Total comprehensive income attributable to: Owners of the parent | | <u>1,431,912</u> | <u>1,248,339</u> |

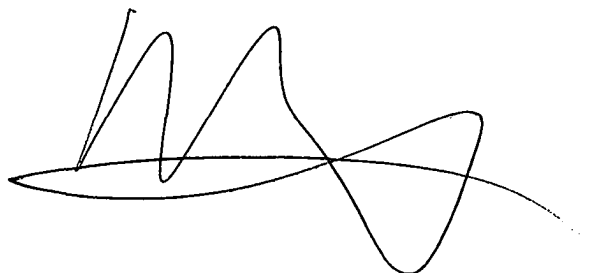
The notes form part of these financial statements

Consolidated Balance Sheet
30 April 2018

| | Notes | £ | 2018 | £ | £ | 2017 | £ |
|----------------------------------------------|-------|---|------------------|-------------------|---|------------------|-------------------|
| FIXED ASSETS | | | | | | | |
| Tangible assets | 12 | | | 8,996,123 | | | 9,551,120 |
| Investments | 13 | | | - | | | - |
| | | | | <u>8,996,123</u> | | | <u>9,551,120</u> |
| CURRENT ASSETS | | | | | | | |
| Stocks | 14 | | 2,985,445 | | | 2,675,974 | |
| Debtors | 15 | | 5,248,704 | | | 5,027,051 | |
| Cash at bank and in hand | | | 809,520 | | | 140,030 | |
| | | | <u>9,043,669</u> | | | <u>7,843,055</u> | |
| CREDITORS | | | | | | | |
| Amounts falling due within one year | 16 | | 3,144,565 | | | 3,235,126 | |
| NET CURRENT ASSETS | | | | <u>5,899,104</u> | | | <u>4,607,929</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | <u>14,895,227</u> | | | <u>14,159,049</u> |
| CREDITORS | | | | | | | |
| Amounts falling due after more than one year | 17 | | | (1,282,755) | | | (1,622,833) |
| PROVISIONS FOR LIABILITIES | 21 | | | (223,940) | | | (504,161) |
| ACCRUALS AND DEFERRED INCOME | 22 | | | (665,426) | | | (740,861) |
| NET ASSETS | | | | <u>12,723,106</u> | | | <u>11,291,194</u> |
| CAPITAL AND RESERVES | | | | | | | |
| Called up share capital | 23 | | | 1,000 | | | 1,000 |
| Merger reserve | 24 | | | 2,635,364 | | | 2,635,364 |
| Retained earnings | 24 | | | 10,086,742 | | | 8,654,830 |
| SHAREHOLDERS' FUNDS | | | | <u>12,723,106</u> | | | <u>11,291,194</u> |

The financial statements were approved by the director on 29 October 2018 and were signed by:

Mr A W Foster - Director

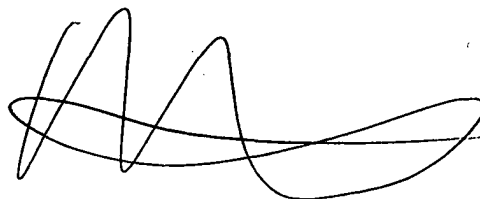


Company Balance Sheet
30 April 2018

| | Notes | £ | 2018 | £ | £ | 2017 | £ |
|----------------------------------------------|-------|---|---------|------------------|---------|------|------------------|
| FIXED ASSETS | | | | | | | |
| Tangible assets | 12 | | | - | | | - |
| Investments | 13 | | | 1,001,000 | | | 1,001,000 |
| | | | | <u>1,001,000</u> | | | <u>1,001,000</u> |
| CREDITORS | | | | | | | |
| Amounts falling due within one year | 16 | | 961,628 | | 961,628 | | |
| NET CURRENT LIABILITIES | | | | <u>(961,628)</u> | | | <u>(961,628)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | <u>39,372</u> | | | <u>39,372</u> |
| CAPITAL AND RESERVES | | | | | | | |
| Called up share capital | 23 | | | 1,000 | | | 1,000 |
| Retained earnings | 24 | | | 38,372 | | | 38,372 |
| SHAREHOLDERS' FUNDS | | | | <u>39,372</u> | | | <u>39,372</u> |
| Company's profit for the financial year | | | | <u>-</u> | | | <u>500,000</u> |

The financial statements were approved by the director on 29 October 2018 and were signed by:

Mr A W Foster - Director



**Consolidated Statement of Changes in Equity
for the Year Ended 30 April 2018**

| | Called up share capital £ | Retained earnings £ | Merger reserve £ | Total equity £ |
|---------------------------------|------------------------------------|---------------------------|------------------------|----------------------|
| Balance at 1 May 2016 | 1,000 | 7,906,491 | 2,635,364 | 10,542,855 |
| Changes in equity | | | | |
| Dividends | - | (500,000) | - | (500,000) |
| Total comprehensive income | - | 1,248,339 | - | 1,248,339 |
| Balance at 30 April 2017 | <u>1,000</u> | <u>8,654,830</u> | <u>2,635,364</u> | <u>11,291,194</u> |
| Changes in equity | | | | |
| Total comprehensive income | - | 1,431,912 | - | 1,431,912 |
| Balance at 30 April 2018 | <u>1,000</u> | <u>10,086,742</u> | <u>2,635,364</u> | <u>12,723,106</u> |

**Company Statement of Changes in Equity
for the Year Ended 30 April 2018**

| | Called up share capital £ | Retained earnings £ | Total equity £ |
|---------------------------------|------------------------------------|---------------------------|----------------------|
| Balance at 1 May 2016 | 1,000 | 38,372 | 39,372 |
| Changes in equity | | | |
| Dividends | - | (500,000) | (500,000) |
| Total comprehensive income | - | 500,000 | 500,000 |
| Balance at 30 April 2017 | <u>1,000</u> | <u>38,372</u> | <u>39,372</u> |
| Changes in equity | | | |
| Balance at 30 April 2018 | <u>1,000</u> | <u>38,372</u> | <u>39,372</u> |

**Consolidated Cash Flow Statement
for the Year Ended 30 April 2018**

| | Notes | 2018 £ | 2017 £ |
|---------------------------------------------------------|-------|-----------------------|----------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | 1,373,136 | 1,498,811 |
| Interest paid | | (41,472) | (45,073) |
| Interest element of hire purchase payments paid | | (17,149) | (18,263) |
| Finance costs paid | | (4,480) | (4,060) |
| Net cash from operating activities | | <u>1,310,035</u> | <u>1,431,415</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (366,490) | (1,091,577) |
| Sale of tangible fixed assets | | 274,901 | 16,899 |
| Interest received | | 5,114 | 13,716 |
| Net cash from investing activities | | <u>(86,475)</u> | <u>(1,060,962)</u> |
| Cash flows from financing activities | | | |
| Loan repayments in year | | (295,624) | (774,060) |
| New HP loans in year | | 64,489 | 139,260 |
| Capital repayments in year | | (178,188) | (182,694) |
| Amount introduced by directors | | - | 108,440 |
| Amount withdrawn by directors | | (23,670) | (9,026) |
| Equity dividends paid | | - | (500,000) |
| Net cash from financing activities | | <u>(432,993)</u> | <u>(1,218,080)</u> |
| Increase/(decrease) in cash and cash equivalents | | <u>790,567</u> | <u>(847,627)</u> |
| Cash and cash equivalents at beginning of year | 2 | 18,953 | 866,580 |
| Cash and cash equivalents at end of year | 2 | <u><u>809,520</u></u> | <u><u>18,953</u></u> |

Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 April 2018

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

| | 2018 | 2017 |
|-------------------------------------------|------------------|------------------|
| | £ | £ |
| Profit before taxation | 1,151,691 | 1,115,836 |
| Depreciation charges | 688,444 | 701,545 |
| (Profit)/loss on disposal of fixed assets | (41,858) | 645 |
| Finance costs | 63,101 | 67,396 |
| Finance income | (5,114) | (13,716) |
| | <u>1,856,264</u> | <u>1,871,706</u> |
| Increase in stocks | (309,471) | (317,219) |
| Increase in trade and other debtors | (208,011) | (205,345) |
| Increase in trade and other creditors | 34,354 | 149,669 |
| | <u>1,373,136</u> | <u>1,498,811</u> |
| Cash generated from operations | <u>1,373,136</u> | <u>1,498,811</u> |

2. CASH AND CASH EQUIVALENTS

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

Year ended 30 April 2018

| | 30.4.18 | 1.5.17 |
|---------------------------|----------------|---------------|
| | £ | £ |
| Cash and cash equivalents | 809,520 | 140,030 |
| Bank overdrafts | - | (121,077) |
| | <u>809,520</u> | <u>18,953</u> |

Year ended 30 April 2017

| | 30.4.17 | 1.5.16 |
|---------------------------|---------------|----------------|
| | £ | £ |
| Cash and cash equivalents | 140,030 | 866,580 |
| Bank overdrafts | (121,077) | - |
| | <u>18,953</u> | <u>866,580</u> |

**Notes to the Consolidated Financial Statements
for the Year Ended 30 April 2018**

1. STATUTORY INFORMATION

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

2. STATEMENT OF COMPLIANCE

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

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

The financial statements are presented in sterling, which is the functional currency of the entity.

Basis of consolidation

The group accounts consolidate the accounts of Computationics Group Limited, its subsidiary undertaking, Computationics Limited and its sub-subsidiary undertaking Signet AC Limited.

Unless otherwise stated, the acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date on which control passed.

Significant judgements and estimates

In the application of the group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily available from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both.

The key judgements and sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below:

Estimated useful lives and residual values of fixed assets

Depreciation of tangible fixed assets has been based on estimated useful lives and residual values deemed appropriate by the directors. Estimated useful lives are reviewed annually and revised as appropriate. Revisions take into account estimated useful lives used by other companies operating in the sector and actual asset lives and residual values, as evidenced by disposals during current and prior accounting periods.

Impairment of non-financial assets

Non-financial assets include goodwill, investments and tangible fixed assets. The group assesses at each reporting date whether there is an indication that the carrying amount of an asset may not be recoverable. If there is such an indication then the group estimates the recoverable amount of the asset using the information available at that date. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than the carrying amount, the carrying amount of an asset is impaired and it is reduced to its recoverable amount through an impairment in the statement of comprehensive income.

Turnover

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

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2018**

3. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

| | |
|--------------------------|-------------------------------------------------------|
| Freehold property | - nil - 5% on reducing balance |
| Improvements to property | - 5% on reducing balance |
| Plant and machinery | - 20% on reducing balance and 10% on reducing balance |
| Fixtures and fittings | - 25% on reducing balance |
| Motor vehicles | - 33% on reducing balance and 25% on reducing balance |
| Computer equipment | - 15% on reducing balance |

Fixed assets are stated at purchase price, less depreciation and amounts written off.

Stocks

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

Cost is calculated using the first-in-first-out method and consists of material and direct labour costs, together with an appropriate proportion of production overheads.

Financial instruments

The following assets and liabilities are classified as financial instruments - investments in subsidiaries, trade debtors, trade creditors, hire purchase contracts, bank loans, other loans and inter-group balances.

Investments in subsidiary undertakings are measured at cost less impairment.

Hire purchase contracts and bank loans are initially measured at the present value of future payments, discounted at a market rate of interest, and subsequently at amortised cost using the effective interest method.

Inter-group balances (being repayable on demand), trade debtors, trade creditors and other loans are measured at the undiscounted amount of cash or other consideration expected to be paid or received.

Financial assets are assessed at the end of each reporting period for objective evidence of impairment and if applicable recognised as appropriate.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2018

3. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund.

Leased assets and obligations

Tangible fixed assets operated under the terms of finance leases are capitalised at a value equal to the cost incurred by the lessor in acquiring the relevant assets and depreciated in the same manner as owned assets. Leases are regarded as finance leases where their terms transfer to the lessee substantially all the benefits and burdens of ownership other than the right to title. The capital element of future lease payments is included in creditors. In the case of other leases, the annual rentals are charged to trading profit on a straight line basis over the lease terms.

Grants

Government grants received in respect of fixed assets are deferred and included in the profit and loss account by instalments over the expected useful lives of the related assets. Estimated useful lives are equivalent to those disclosed in the accounting policy for fixed assets and depreciation.

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

| | 2018 £ | 2017 £ |
|------------------|-------------------|-------------------|
| United Kingdom | 11,298,798 | 10,757,192 |
| Europe and other | 5,789,242 | 5,303,102 |
| | <u>17,088,040</u> | <u>16,060,294</u> |

5. EMPLOYEES AND DIRECTORS

| | 2018 £ | 2017 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 4,713,224 | 4,746,753 |
| Social security costs | 412,485 | 421,814 |
| Other pension costs | 49,944 | 39,170 |
| | <u>5,175,653</u> | <u>5,207,737</u> |

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

| | 2018 | 2017 |
|-----------------------|------------|------------|
| Production and sales | 153 | 153 |
| Office and management | 21 | 22 |
| | <u>174</u> | <u>175</u> |

| | 2018 £ | 2017 £ |
|-------------------------|----------------|----------------|
| Director's remuneration | <u>168,931</u> | <u>482,944</u> |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2018

6. OPERATING PROFIT

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

| | 2018 £ | 2017 £ |
|--------------------------------------------------|-----------|-----------|
| Hire of plant and machinery | 49,842 | 59,407 |
| Depreciation - owned assets | 617,328 | 608,895 |
| Depreciation - assets on hire purchase contracts | 71,116 | 92,648 |
| (Profit)/loss on disposal of fixed assets | (41,858) | 645 |
| Research and development | 2,139,108 | 1,485,777 |
| Foreign currency exchange (Gain)/loss | 19,188 | 13,743 |
| Grants released | (75,435) | (87,902) |

7. AUDITORS' REMUNERATION

| | 2018 £ | 2017 £ |
|--------------------------------------------------------------------------------------------|-----------|-----------|
| Fees payable to the company's auditors for the audit of the company's financial statements | 14,950 | 14,950 |
| Auditors' remuneration for non audit work | 17,300 | 16,600 |

8. INTEREST PAYABLE AND SIMILAR EXPENSES

| | 2018 £ | 2017 £ |
|------------------------|---------------|---------------|
| Bank interest | 41,472 | 45,073 |
| Hire purchase interest | 17,149 | 18,263 |
| Sundry finance charges | 4,480 | 4,060 |
| | <u>63,101</u> | <u>67,396</u> |

9. TAXATION

Analysis of the tax credit

The tax credit on the profit for the year was as follows:

| | 2018 £ | 2017 £ |
|---------------|------------------|------------------|
| Deferred tax | (280,221) | (132,503) |
| Tax on profit | <u>(280,221)</u> | <u>(132,503)</u> |

Reconciliation of total tax credit included in profit and loss

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

| | 2018 £ | 2017 £ |
|-----------------------------------------------------------------------------------------|------------------|------------------|
| Profit before tax | <u>1,151,691</u> | <u>1,115,836</u> |
| Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19%) | 218,821 | 212,009 |
| Effects of: | | |
| company rate | | |
| Expenses not deductible for tax purposes | 5,046 | 5,216 |
| Deferred income released | (14,332) | (16,892) |
| Research and development tax credits | (481,884) | (335,771) |
| Depreciation on non qualifying assets | 37,186 | 35,843 |
| Deferred tax rate change | (820) | (32,908) |
| Non qualifying asset disposal | <u>(44,238)</u> | - |
| Total tax credit | <u>(280,221)</u> | <u>(132,503)</u> |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2018

10. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

11. DIVIDENDS

| | 2018 £ | 2017 £ |
|----------------------------|-----------|-----------|
| Ordinary shares of £1 each | | |
| Interim | - | 500,000 |

12. TANGIBLE FIXED ASSETS

Group

| | Freehold property £ | Improvements to property £ | Plant and machinery £ |
|------------------------|---------------------------|-------------------------------------|-----------------------------|
| COST | | | |
| At 1 May 2017 | 9,449,320 | 107,718 | 3,887,636 |
| Additions | 107,438 | - | 81,578 |
| Disposals | (603,792) | - | (157,823) |
| At 30 April 2018 | 8,952,966 | 107,718 | 3,811,391 |
| DEPRECIATION | | | |
| At 1 May 2017 | 2,323,889 | 53,665 | 2,269,510 |
| Charge for year | 305,770 | 2,704 | 170,546 |
| Eliminated on disposal | (435,980) | - | (108,993) |
| At 30 April 2018 | 2,193,679 | 56,369 | 2,331,063 |
| NET BOOK VALUE | | | |
| At 30 April 2018 | 6,759,287 | 51,349 | 1,480,328 |
| At 30 April 2017 | 7,125,431 | 54,053 | 1,618,126 |

| | Fixtures and fittings £ | Motor vehicles £ | Computer equipment £ | Totals £ |
|------------------------|----------------------------------|------------------------|----------------------------|-------------|
| COST | | | | |
| At 1 May 2017 | 1,161,175 | 626,657 | 195,429 | 15,427,935 |
| Additions | 99,135 | 78,219 | 120 | 366,490 |
| Disposals | - | (92,734) | - | (854,349) |
| At 30 April 2018 | 1,260,310 | 612,142 | 195,549 | 14,940,076 |
| DEPRECIATION | | | | |
| At 1 May 2017 | 773,639 | 296,475 | 159,637 | 5,876,815 |
| Charge for year | 110,502 | 93,470 | 5,452 | 688,444 |
| Eliminated on disposal | - | (76,333) | - | (621,306) |
| At 30 April 2018 | 884,141 | 313,612 | 165,089 | 5,943,953 |
| NET BOOK VALUE | | | | |
| At 30 April 2018 | 376,169 | 298,530 | 30,460 | 8,996,123 |
| At 30 April 2017 | 387,536 | 330,182 | 35,792 | 9,551,120 |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2018

12. TANGIBLE FIXED ASSETS - continued

Group

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

| | Plant and machinery £ | Motor vehicles £ | Totals £ |
|-----------------------|-----------------------------|------------------------|-------------|
| COST | | | |
| At 1 May 2017 | 416,395 | 364,454 | 780,849 |
| Additions | - | 78,219 | 78,219 |
| Transfer to ownership | (416,395) | (65,234) | (481,629) |
| At 30 April 2018 | - | 377,439 | 377,439 |
| DEPRECIATION | | | |
| At 1 May 2017 | 145,476 | 102,585 | 248,061 |
| Charge for year | - | 71,116 | 71,116 |
| Transfer to ownership | (145,476) | (33,535) | (179,011) |
| At 30 April 2018 | - | 140,166 | 140,166 |
| NET BOOK VALUE | | | |
| At 30 April 2018 | - | 237,273 | 237,273 |
| At 30 April 2017 | 270,919 | 261,869 | 532,788 |

13. FIXED ASSET INVESTMENTS

Company

| | Shares in group undertakings £ |
|------------------------------------|-----------------------------------------|
| COST | |
| At 1 May 2017 and 30 April 2018 | 1,001,000 |
| NET BOOK VALUE | |
| At 30 April 2018 | 1,001,000 |
| At 30 April 2017 | 1,001,000 |

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Computationics Limited

Registered office: England

Nature of business: Manufacture of electronic security equipment

Class of shares: %
Ordinary £1 holding
100.00

| | 2018 £ | 2017 £ |
|--------------------------------|------------|------------|
| Aggregate capital and reserves | 12,385,003 | 11,256,619 |
| Profit for the year | 1,128,384 | 1,054,825 |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2018

13. FIXED ASSET INVESTMENTS - continued

Signet AC Limited

Registered office: England

Nature of business: Manufacture and design of life safety equipment

| | |
|------------------|--------|
| Class of shares: | % |
| Ordinary £1 | 100.00 |

| | 2018 | 2017 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Aggregate capital and reserves | 1,300,738 | 997,211 |
| Profit for the year | <u>303,527</u> | <u>193,515</u> |

14. STOCKS

| | Group | Group |
|------------------|------------------|------------------|
| | 2018 | 2017 |
| | £ | £ |
| Stocks | 1,653,613 | 1,446,685 |
| Work-in-progress | 221,880 | 218,879 |
| Finished goods | 1,109,952 | 1,010,410 |
| | <u>2,985,445</u> | <u>2,675,974</u> |

Stocks recognised as an expense in the period were £8.6m (2017: £7.9m).

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | Group |
|--------------------------------|------------------|------------------|
| | 2018 | 2017 |
| | £ | £ |
| Trade debtors | 4,885,750 | 4,605,670 |
| Other debtors | 68,150 | 87,395 |
| Directors' current accounts | 13,642 | - |
| Prepayments and accrued income | 281,162 | 333,986 |
| | <u>5,248,704</u> | <u>5,027,051</u> |

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | Group | Company | Company |
|-----------------------------------------|------------------|------------------|----------------|----------------|
| | 2018 | 2017 | 2018 | 2017 |
| | £ | £ | £ | £ |
| Bank loans and overdrafts (see note 18) | 264,377 | 375,783 | - | - |
| Hire purchase contracts (see note 19) | 87,978 | 166,894 | - | - |
| Trade creditors | 1,970,024 | 1,902,351 | - | - |
| Amounts owed to group undertakings | - | - | 961,628 | 961,628 |
| Social security and other taxes | 436,427 | 430,744 | - | - |
| Other creditors | 17,120 | 130,060 | - | - |
| Directors' current accounts | - | 10,028 | - | - |
| Accrued expenses | 368,639 | 219,266 | - | - |
| | <u>3,144,565</u> | <u>3,235,126</u> | <u>961,628</u> | <u>961,628</u> |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2018

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Group | |
|---------------------------------------|------------------|------------------|
| | 2018 | 2017 |
| | £ | £ |
| Bank loans (see note 18) | 1,226,808 | 1,532,103 |
| Hire purchase contracts (see note 19) | 55,947 | 90,730 |
| | <u>1,282,755</u> | <u>1,622,833</u> |

18. LOANS

An analysis of the maturity of loans is given below:

| | Group | |
|---------------------------------------------------|----------------|----------------|
| | 2018 | 2017 |
| | £ | £ |
| Amounts falling due within one year or on demand: | | |
| Bank overdrafts | - | 121,077 |
| Bank loans | 264,377 | 254,706 |
| | <u>264,377</u> | <u>375,783</u> |
| Amounts falling due between one and two years: | | |
| Bank loans - 1-2 years | 270,927 | 262,072 |
| | <u>270,927</u> | <u>262,072</u> |
| Amounts falling due between two and five years: | | |
| Bank loans - 2-5 years | 332,733 | 558,779 |
| | <u>332,733</u> | <u>558,779</u> |
| Amounts falling due in more than five years: | | |
| Repayable by instalments | | |
| Bank loans more 5 yr by instal | 623,148 | 711,252 |
| | <u>623,148</u> | <u>711,252</u> |

The bank loans and overdraft are secured by a legal charge over land and buildings, together with a debenture over all assets of Computationics Limited and Signet (AC) Limited.

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

| Group | | Hire purchase contracts | |
|----------------------------|--|-------------------------|----------------|
| | | 2018 | 2017 |
| | | £ | £ |
| Net obligations repayable: | | | |
| Within one year | | 87,978 | 166,894 |
| Between one and five years | | 55,947 | 90,730 |
| | | <u>143,925</u> | <u>257,624</u> |

Liabilities under finance leases and hire purchase contracts are secured on the assets to which they relate.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2018

19. LEASING AGREEMENTS - continued

Group

| | Non-cancellable operating leases | |
|----------------------------|----------------------------------|----------------|
| | 2018 | 2017 |
| | £ | £ |
| Within one year | 67,865 | 82,841 |
| Between one and five years | 41,758 | 72,025 |
| In more than five years | - | 4,290 |
| | <u>109,623</u> | <u>159,156</u> |

20. SECURED DEBTS

The following secured debts are included within creditors:

| | Group | |
|-------------------------|------------------|------------------|
| | 2018 | 2017 |
| | £ | £ |
| Bank loans | 1,491,185 | 1,786,809 |
| Hire purchase contracts | 143,925 | 257,624 |
| | <u>1,635,110</u> | <u>2,044,433</u> |

21. PROVISIONS FOR LIABILITIES

| | Group | |
|----------------------------------------|----------------|----------------|
| | 2018 | 2017 |
| | £ | £ |
| Deferred tax | <u>223,940</u> | <u>504,161</u> |
| Group | | |
| | | Deferred tax |
| | | £ |
| Balance at 1 May 2017 | | 504,161 |
| Credit to Income Statement during year | | (280,221) |
| Balance at 30 April 2018 | | <u>223,940</u> |

The deferred tax balance originates from capital allowances in excess of depreciation.

22. ACCRUALS AND DEFERRED INCOME

| | Group | |
|----------------------------|----------------|----------------|
| | 2018 | 2017 |
| | £ | £ |
| Deferred government grants | <u>665,426</u> | <u>740,861</u> |

23. CALLED UP SHARE CAPITAL

| Allotted, issued and fully paid: | | | | |
|----------------------------------|----------|----------------|--------------|--------------|
| Number: | Class: | Nominal value: | 2018 | 2017 |
| | | | £ | £ |
| 1,000 | Ordinary | £1 | <u>1,000</u> | <u>1,000</u> |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2018

24. RESERVES

Group

| | Retained earnings £ | Merger reserve £ | Totals £ |
|---------------------|---------------------------|------------------------|-------------------|
| At 1 May 2017 | 8,654,830 | 2,635,364 | 11,290,194 |
| Profit for the year | 1,431,912 | | 1,431,912 |
| At 30 April 2018 | <u>10,086,742</u> | <u>2,635,364</u> | <u>12,722,106</u> |

Company

| | Retained earnings £ |
|---------------------|---------------------------|
| At 1 May 2017 | 38,372 |
| Profit for the year | - |
| At 30 April 2018 | <u>38,372</u> |

25. CONTINGENT LIABILITIES

Deferred income of £665,427 (2017 - £740,861) is in respect of government grants. The terms of the grant offer provides for the repayment of part or all of the said grants if the terms of the offer letters are not complied with.

26. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 30 April 2018 and 30 April 2017:

| | 2018 £ | 2017 £ |
|--------------------------------------|---------------|----------------|
| Mr A W Foster | | |
| Balance outstanding at start of year | (5,029) | 89,386 |
| Amounts advanced | 218,671 | 752,218 |
| Amounts repaid | (200,000) | (846,633) |
| Amounts written off | - | - |
| Amounts waived | - | - |
| Balance outstanding at end of year | <u>13,642</u> | <u>(5,029)</u> |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2018

27. RELATED PARTY DISCLOSURES

Solid State Security Limited is a company in which Andrew Foster is a director and has a 100% shareholding.

Computationics Limited is a subsidiary of Computationics Group Limited.

Signet (AC) Limited is a subsidiary of Computationics Limited.

During the year there were the following transactions between Computationics Limited and Solid State Security Limited:

| Description | 2018 £ | 2017 £ |
|--------------------|-----------|-----------|
| Sales | 488,365 | 31,555 |
| Purchases | 98,611 | 119,958 |
| Management charges | 156,000 | 6,000 |

The net sum of £1,249,031 (2017 - £819,326) was due from Solid State Security limited at the balance sheet date.

During the year, Signet AC Limited paid £60,000 (2017 - £60,000) in respect of rent to the trustees of the Computationics Limited Pension Fund.

During the year, a total of key management personnel compensation of £181,643 (2017 - £482,944) was paid.

28. ULTIMATE CONTROLLING PARTY

The ultimate controlling party throughout the year was Mr A W Foster.