COBACO HOLDINGS LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

REGISTERED NUMBER 08317210

30 APRIL 2018

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 30 April 2018

COMPANY INFORMATION
for the Year Ended 30 April 2018

DIRECTORS:	R N Ball G C Cooper G Hepburn G Gould J Clarke S Purkis (Appointed 24th Sept 2018)
REGISTERED OFFICE:	Cobaco House North Florida Road Haydock Industrial Estate Merseyside WA11 9TP
REGISTERED NUMBER:	08317210 (England and Wales)
AUDITOR:	Grant Thornton UK LLP Chartered Accountant & Statutory Auditor 4 Hardman Square Spinningfields Manchester M3 3EB
BANKERS:	Yorkshire Bank 1st Floor, The Chancery 58 Spring Gardens Manchester M2 1YB
SOLICITORS:	DLA Piper UK LLP 1 St Peter's Square Manchester M2 3AE

STRATEGIC REPORT
for the Year Ended 30 April 2018

The group presents its Strategic Report for the year ended 30 April 2018.

Principal activities

The group is principally involved in the design, manufacture, installation, service and sales of security bollards used in perimeter protection and related systems.

The company's principal activity is that of a holding company.

Business review

The directors are satisfied with the financial performance of the Group in 2018, delivering a strong increase in turnover and EBITDA. Significant growth was achieved across all of our key regions and markets, in particular the Middle East which has seen an increase in activity and is delivering a strong pipe line of opportunities.

Research and development has remained a key priority of the business and we have continued to develop a number of new innovative products which have been introduced to the market in 2018/19, predominately our new SurfaceGuard product. Global Interest continues to grow in the SurfaceGuard product and the Company is continuing to grow the pipeline with new opportunities. With the continued worldwide terrorist threat of using vehicles as a weapon SurfaceGuard is well placed to be deployed as the barrier of choice to protect crowded spaces.

We now believe that the business is well placed to achieve further growth in 2019 and beyond.

Key performance indicators

The board monitors its performance by reference to a number of key performance indicators ("KPIs") of which the most important are:

Financial KPI's	2018	2017
Turnover	£17.5m	£15.6m
Gross margin	25%	24%
EBITDA (pre – exceptionals)	£1.5m	£1.1m
Operating Loss	(£0.3m)	(£0.8m)

The board also monitors performance by reference to certain "non- financial KPIs". These include the review of staff numbers and customer satisfaction.

Future outlook

2018 saw a number of vehicle borne terror attacks and globally terror threat levels remain high. We anticipate that this environment will result in increased demand for our high security products and services in the coming years.

We have continued to invest in new product development, with the increased use of vehicles now being used as weapons a focus on temporary security of crowded places, which has developed into a growing market in 2019 and has allowed the business to benefit from new revenue streams by deploying SurfaceGuard. Our secured pipeline of won work and quoted future work continues to grow and we are confident that further sales and profit growth can be achieved in 2019 and beyond.

We remain committed to our employees, customers and suppliers and are focussed on maintaining sustainable long-term relationships with our stakeholders.

Strategic Report (continued)

Principal risks and uncertainties

The principal financial risks that the group faces are associated with our ability to monitor and manage:

Cash flow
The Group's subsidiary, ATG Access Ltd shares an overdraft facility with other subsidiaries which operate within the agreed facility. The group's exposure to interest rate movements is not considered material and hence it is not believed to be necessary to hedge against rates. Cash is monitored on a daily basis and the group has a 13-week cash flow forecast which shows sufficient liquidity for its needs.

Foreign Exchange Risk
The group has certain transactions in foreign currencies but is not exposed to any material risks relating to exchange fluctuations.

Credit risk
The group's principal financial assets are in amounts recoverable on contracts and trade debtors. The credit risk is limited by an exposure to a number of major customers on whom either credit reports are obtained or whose annual accounts are regularly reviewed. Where credit risk is considered to be higher than acceptable, payment must be provided in advance.

The group controls these risks in a number of ways. The group is highly selective in the type of work that it tenders for in terms of the project size, location, complexity and contract duration. These criteria are examined for each project and are specific to them to ensure that their capabilities are used to best effect. The group specialises in certain types of building and civil engineering projects in line with the areas where we have proven expertise. A rigid risk management process is in place throughout the tender and project execution process. A delegation of authority system is in place with the requirement for contracts/orders over a certain level to be approved by the Managing Director and Finance Director.

Liquidity risk
The group regularly forecasts cashflows annually and over the following quarter on a rolling basis to ensure it can manage within the facilities available.

The cash facilities available to the group have been compared to its likely credit requirements over the next 12 months, from the date of signing these financial statements and are deemed to be adequate.

In August 2017 the company entered into a £5 million loan, repayable over 5 years, with Yorkshire Bank which is being serviced within the agreed covenants.

Price risk
The group is exposed to a price risk arising on its raw materials; it attempts to manage its exposure by matching price movements with selling prices achieved on its finished products.

Compliance risk
We operate in a number of overseas markets with different levels of commercial risk. A compliance approval process is in place to help manage this risk.

By order of the board

G C Cooper - Director
22nd October 2018

DIRECTORS' REPORT
for the Year Ended 30 April 2018

The directors present their report with the financial statements of the company and the group for the year ended 30 April 2018.

DIVIDENDS

The loss for the year, after taxation, amounted to £2,456,533 (2017: £3,173,057)

The funding structure of the company with private equity loan notes generates a loan interest charge to the profit and loss account that creates a loss each year.

No dividends will be distributed for the year ended 30 April 2018 (2017: £nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2017 to the date of this report.

R N Ball
G C Cooper
G Gould
G Hepburn

The directors shown below have held office since 1 May 2017:

J Clarke Appointed 15 March 2018
S M Beard Resigned 15 May 2017
M Clegg Resigned 1 November 2017
P D Shipley Resigned 30 November 2017
C Wright Resigned 15 March 2018
S Purkis (Appointed 24th September 2018)

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company has indemnified, by mean of directors' and officers liability insurance, one or more of the directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the year and is in force as at the date of the approving the directors' report.

RESEARCH AND DEVELOPMENT

The group continues to invest in research and development, in order to continually bring new and innovative products to the market.

EMPLOYEES

Regular meetings are held involving directors, managers and supervisory staff to convey information to employees regarding group and company performance and other factors affecting the business. The group is committed to the processes that have led to it achieving Investors in People Status.

The group's policy is, wherever practicable, to encourage and assist the employment of disabled people, having regard to the nature of the work and their disability.

DONATIONS

Charitable donations of £1,650 (2017: £535) were made during the year. No political donations were made during the year (2017: £nil).

Directors' report (continued)

GOING CONCERN

The directors are required to assess whether the Group has adequate resources to continue in operational existence for the foreseeable future. The directors have considered the future profitability of the Group and its ability to continue as a going concern and have prepared profit and cash flow forecasts for the 12 month period following approval of the financial statements.

Also, the directors have obtained an undertaking from LDC (Managers) Ltd, its shareholders and loan providers (excluding repayments due under the term loan agreement with Yorkshire Bank entered into in August 2017) that amounts due to them will not be repayable until at least 12 months from the date of approval of the financial statements, unless the Group has sufficient resources to repay the debt during the year. Based on this, the directors are satisfied that, for the foreseeable future and at least 12 months from the date of signing these accounts, the Group can meet its projected working capital requirements and consequently, the financial statements have been prepared on a going concern basis.

DISCLOSURE OF INFORMATION TO AUDITOR

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

The auditor, Grant Thornton UK LLP, will be proposed for appointment in accordance with section 487(2) of the Companies Act 2006

By order of the board

G C Cooper - Director
22nd October 2018

Cobaco House
North Florida Road
Haydock Industrial Estate
Merseyside
WA11 9TP

STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 they have elected to prepare the financial statements in accordance with UK Generally Accepted Accounting Practice (United Kingdom Accounting Standard and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITORS'S REPORT TO THE MEMBERS OF COBACO HOLDINGS LIMITED

Our opinion on the financial statements is unmodified

We have audited the financial statements of Cobaco Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2018 which comprise the Consolidated Profit and Loss Account and Other Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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's affairs as at 30 April 2018 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 as applied to listed entities, 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.

Who we are reporting to

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

Conclusions relating to going concern

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

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

Overview of our audit approach

- Overall materiality: £263,000, which represents 1.5% of the group's revenues;
- Key audit matters were identified as revenue recognition; impairment of intangible assets; and impairment of the parent company's investment in ATG Access Limited.
- We performed full scope audit procedures on the financial statements of Cobaco Holdings Limited (the parent company) and on the financial statements of its subsidiary, ATG Access Limited, being a significant component of the group.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter – Group

Revenue recognition

Revenue is recognised in accordance with the group's accounting policies and Financial Reporting Standard (FRS) 102.

The revenue recorded by the group is one of the key determinants of the group's performance. The group has multiple revenue streams (contract revenue, direct sales and service revenue). The nature of the contracts undertaken by the group introduces significant judgement and uncertainty into the recognition of revenue and profit for the business.

We therefore identified revenue recognition as a significant risk, which was one of the most significant risks of material misstatement.

How the matter was addressed in the audit – Group

Our audit work included, but was not restricted to:

- Evaluation of the group's revenue recognition policies to assess whether the policies are in accordance with FRS 102;
- Assessment of whether revenue has been accounted for in accordance with these policies including making a selection of revenue entries and agreeing that the application of the revenue recognition policy is correct;
- Obtaining an understanding of the processes through which the business initiates, records, processes and reports revenue transactions;
- Assessment of a sample of contracts, including evaluation of management's consideration of the stage of completion of the contract; and
- Agreement of a sample of revenue entries for the other revenue streams to supporting documentation, such as invoices and delivery documents.

Key Audit Matter – Group	**How the matter was addressed in the audit – Group**
	The group's accounting policy on revenues is shown in note 1.5 to the financial statements and related disclosures are included in note 2. **Key observations** We determined the recognition of revenue for the group's material revenue streams to be acceptable. Revenue has been accounted for in accordance with the group's accounting policy. We consider the group's accounting policies to provide sufficient information regarding the group's material revenue streams, and to comply with FRS 102.
Impairment of intangible assets The group holds significant intangible assets, including goodwill. Management have performed an impairment review of the group's intangible assets and goodwill, including a sensitivity analysis to assess the impact of changes in key assumptions. The judgements made in respect of the impairment review are subject to significant measurement uncertainty. We therefore identified impairment of intangible assets and goodwill as a significant risk, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: • Assessment of whether intangible assets have been accounted for in accordance with the Group's accounting policies; • Assessment of whether the Group's accounting policies are in accordance with FRS 102; • Assessing management's impairment review and challenging the valuation approach used; • Testing the accuracy of management's forecasting through a comparison of historical data to actual results and projections for following periods; • Challenging the appropriateness of management's assumptions, including the growth rate and discount rate used; and • Performance of independent sensitivity analysis to understand the impact of any reasonably possible changes in key assumptions, and evaluation of headroom available from different outcomes to assess whether goodwill is impaired. The group's accounting policies on intangible assets and goodwill, and impairment of goodwill, are shown in notes 1.11 and 1.4 to the financial statements respectively and related disclosures are included in note 8. **Key observations** Based upon the results of the audit work performed, goodwill does not appear materially misstated.

Key Audit Matter – Parent	How the matter was addressed in the audit – Parent
Impairment of investments in subsidiaries The parent company holds significant investments in subsidiary undertakings. Management have performed an impairment review of the parent company's investments in subsidiary undertakings. The judgements made in respect of the impairment review are subject to significant measurement uncertainty. We therefore identified impairment of investments in subsidiaries as a significant risk, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: • Assessing management's impairment review and challenging the valuation approach used; • Testing the accuracy of management's forecasting through a comparison of historical data to actual results and projections for following periods; • Challenging the appropriateness of management's assumptions, including the growth rate and discount rate used; and • Performance of sensitivity analysis to understand the impact of any reasonably possible changes in key assumptions, and evaluation of headroom to assess whether the investment is impaired. The related disclosures are included in note 10. **Key observations** Based on our audit work, we have not identified any material misstatements in respect of the parent company's investments in subsidiary undertakings.

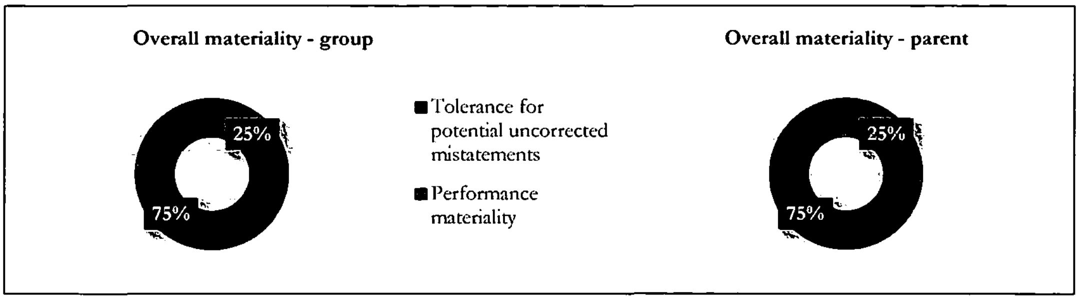
Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work.

Materiality was determined as follows:

Materiality measure	Group	Parent
Financial statements as a whole	£263,000 which is 1.5% of group revenue. This benchmark is considered the most appropriate because group revenue is a key performance indicator of the group.	£180,000 which is 1% of total assets. This benchmark is considered the most appropriate because the parent company's activities are those of a holding company which does not generate revenue.
Performance materiality used to drive the extent of our testing	75% of financial statement materiality.	75% of financial statement materiality.
Communication of misstatements to the audit committee	£13,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£9,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.



An overview of the scope of our audit

Our audit approach was a risk-based approach founded on an understanding of the group's business, its environment and risk profile and in particular included:

- evaluation by the group audit team of identified components to assess the significance of that component and to determine the planned audit response based on a measure of materiality calculated by considering the component's significance as a percentage of the group's net assets, revenues and profit before tax;
- a full scope audit of the financial statements of the parent company, Cobaco Holdings Limited and of its subsidiary, ATG Access Limited;
- evaluation of the group's internal control environment, including documentation of relevant processes and assessment of design effectiveness of controls pertaining to the Key Audit Matters discussed in the Key Audit Matters section above;
- performance of full scope audit procedures on components representing 100% of the group's revenue, 99% of the group's loss before taxation and 99% of the group's total assets. The entities on which full scope audits were performed were selected based upon their significance to the group's net assets, revenues and profits, and to provide an appropriate basis for undertaking audit work to address the Key Audit Matters for the group identified above;
- performance of analytical procedures to confirm our conclusion that there was no significant risk of material misstatement of the aggregated financial information of the group's overseas subsidiary, ATG Access Inc.; and
- testing of the consolidation process, including re-performance of management's calculations and consolidation adjustments and confirming that the group financial statements are consistent with the audited financial statements of the all the group components.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and consolidated financial statements set out on pages 2 to 6, 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

- 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.

Matters on which we are required to report under the Companies Act 2006

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.

Matters on which we are required to report by exception

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 for the financial statements

As explained more fully in the statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements set out on page 6, 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.

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

Grant Thornton UK LLP

Carl Williams
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester
22 October 2018

CONSOLIDATED PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
for the Year Ended 30 April 2018

	Notes	2018 £	2017 £
REVENUE	2	**17,540,896**	15,645,140
Cost of sales excluding exceptional stock provision		**(13,144,238)**	(11,681,324)
Stock provision		-	(237,554)
Cost of sales		**(13,144,238)**	(11,918,878)
GROSS PROFIT		**4,396,658**	3,726,262
Administrative expenses		**(3,867,528)**	(4,565,585)
OPERATING PROFIT BEFORE EXCEPTIONALS		**529,130**	27,322
Exceptional items	5	**(834,747)**	(866,645)
OPERATING LOSS	4	**(305,617)**	(839,323)
Interest payable and similar charges	6	**(2,182,958)**	(2,403,573)
LOSS BEFORE TAXATION		**(2,488,575)**	(3,242,896)
Tax on loss	7	**19,648**	60,683
LOSS FOR THE FINANCIAL YEAR		**(2,468,927)**	(3,182,213)
OTHER COMPREHENSIVE INCOME			
Exchange rate differences		**12,394**	9,156
TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR FOR THE GROUP		**(2,456,533)**	(3,173,057)

All results for the current and preceding year are derived from continuing operations.

The notes on pages 20 to 36 form part of the financial statements.

CONSOLIDATED BALANCE SHEET
As at 30 April 2018

	Notes	2018 £	2018 £	2017 £	2017 £
FIXED ASSETS					
Intangible assets	8		**10,037,603**		10,696,921
Tangible assets	9		**356,449**		354,147
			10,394,052		11,051,068
CURRENT ASSETS					
Stocks	11	**2,871,695**		1,747,280	
Debtors	12	**3,995,153**		3,940,210	
Cash at bank and in hand	13	**1,804,916**		1,073,100	
		8,671,764		6,760,590	
CREDITORS					
Amounts falling due within one year	14	**(29,128,051)**		(18,049,800)	
NET CURRENT LIABILITIES			**(20,456,287)**		(11,289,210)
TOTAL ASSETS LESS CURRENT LIABILITIES			**(10,062,235)**		(238,142)
CREDITORS					
Amounts falling due after more than one year	15		**(3,273,224)**		(10,623,225)
PROVISIONS FOR LIABILITIES	20		**(68,122)**		(85,681)
NET LIABILITIES			**(13,403,581)**		(10,947,048)
CAPITAL AND RESERVES					
Called up share capital	21		**132,588**		132,588
Share premium	22		**1,699,255**		1,699,255
Foreign currency reserve	22		**(36,066)**		(48,460)
Profit and loss account	22		**(15,199,358)**		(12,730,431)
SHAREHOLDERS' DEFICIT			**(13,403,581)**		(10,947,048)

The financial statements were approved by the Board of Directors on 22nd October 2018 and were signed on its behalf by:

G C Cooper
Director

The notes on pages 20 to 36 form part of these financial statements.

COMPANY BALANCE SHEET
As at 30 April 2018

	Notes	2018 £	2018 £	2017 £	2017 £
FIXED ASSETS					
Investments	10		**17,945,381**		17,945,381
CURRENT ASSETS					
Debtors	12	**66,994**		550,411	
CREDITORS					
Amounts falling due within one year	14	**(20,292,732)**		(10,846,242)	
NET CURRENT LIABILITIES			**(20,225,738)**		(10,295,831)
TOTAL ASSETS LESS CURRENT LIABILITIES			**(2,280,357)**		7,649,550
CREDITORS					
Amounts falling due after more than one year	15		**(3,273,224)**		(10,623,225)
NET LIABILITIES			**(5,553,581)**		(2,973,675)
CAPITAL AND RESERVES					
Called up share capital	21		**132,588**		132,588
Share premium	22		**1,699,255**		1,699,255
Profit and loss account	22		**(7,385,424)**		(4,805,518)
SHAREHOLDERS' DEFICIT			**(5,553,581)**		(2,973,675)

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The parent company loss for the year was £2,579,906 (2017: £2,494,445)

The financial statements were approved by the Board of Directors on 22nd October 2018 and were signed on its behalf by

G C Cooper
Director

The notes on pages 20 to 36 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the Year Ended 30 April 2018

	Called up share capital	Share premium account	Foreign currency reserve	Profit and loss account	Total equity
	£	£	£	£	£
Balance at 1 May 2016	132,588	1,699,255	(57,616)	(9,548,218)	(7,773,991)
Loss for the year	-	-	-	(3,182,213)	(3,182,213)
Other comprehensive income for the year	-	-	9,156	-	9,156
Balance as at 30 April 2017	**132,588**	**1,699,255**	**(48,460)**	**(12,730,431)**	**(10,947,048)**

	Called up share capital	Share premium account	Foreign currency reserve	Profit and loss account	Total equity
	£	£	£	£	£
Balance at 1 May 2017 as restated	132,588	1,699,255	(48,460)	(12,730,431)	(10,947,048)
Loss for the year	-	-	-	(2,468,927)	(2,468,927)
Other comprehensive income for the year	-	-	12,394	-	12,394
Balance as at 30 April 2018	**132,588**	**1,699,255**	**(36,066)**	**(15,199,358)**	**(13,403,581)**

The notes on pages 20 to 36 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
for the Year Ended 30 April 2018

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
Balance at 1 May 2016	132,588	1,699,255	(2,311,073)	(479,230)
Total comprehensive loss for the year	-	-	(2,494,445)	(2,494,445)
Balance as at 30 April 2017	**132,588**	**1,699,255**	**(4,805,518)**	**(2,973,675)**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
Balance at 1 May 2017	132,588	1,699,255	(4,805,518)	(2,973,675)
Total comprehensive loss for the year	-	-	(2,579,906)	(2,579,906)
Balance as at 30 April 2018	**132,588**	**1,699,255**	**(7,385,424)**	**(5,553,581)**

The notes on pages 20 to 36 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 30 April 2018

	Note	**2018** £	2017 £
Cash flows from operating activities			
Loss for the year		**(2,468,927)**	(3,182,213)
Adjustments for:			
Depreciation, amortisation and impairment		**1,017,458**	1,380,918
Interest payable and similar charges		**2,182,958**	2,403,573
Foreign exchange gain		**12,394**	(9,156)
Taxation		**(19,648)**	(60,683)
(Increase)/ Decrease in trade and other debtors		**(50,977)**	493,996
(Increase)/ Decrease in stocks		**(1,124,415)**	(127,677)
Increase in trade and other creditors		**2,307,830**	653,076
Cash from operations		**1,856,673**	1,551,834
Income Taxes paid		**(1,877)**	-
Net cash generated from operating activities		**1,854,796**	1,551,834
Cash flows from investing activities			
Acquisition of tangible fixed assets	*9*	**(64,284)**	(38,576)
Acquisition of other intangible fixed assets	*8*	**(296,159)**	(190,198)
Net cash used in investing activities		**(360,443)**	(228,774)
Cash flows from financing activities			
Proceeds from new loan		**5,000,000**	-
Bank Loan Repayments		**(875,000)**	-
Loan Note Interest Repayment		**(4,812,537)**	-
Loan Note Repayment		**(75,000)**	-
Net cash used in investing activities		**(762,537)**	-
Net increase/ (decrease) in cash and cash equivalents		**731,816**	1,323,060
Cash and cash equivalents at 1 May		**1,073,100**	(249,960)
Cash and cash equivalents at 30 April	*13*	**1,804,916**	1,073,100

The notes on pages 20 to 36 form part of these financial statements.

NOTES

(forming part of the Financial statements)

1. Accounting policies

Cobaco Holdings Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 "*The Financial Reporting Standard*" applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company Cash Flow Statement with related notes is included.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The directors are required to assess whether the Group has adequate resources to continue in operational existence for the foreseeable future. The directors have considered the future profitability of the Group and its ability to continue as a going concern and have prepared profit and cash flow forecasts for the 12 month period following approval of the financial statements. Also, the directors have obtained an undertaking from LDC (Managers) Ltd, its shareholders and loan providers (excluding repayments due under the term loan agreement with Yorkshire Bank entered into in August 2017) that amounts due to them will not be repayable until at least 12 months from the date of approval of the financial statements, unless the Group has sufficient resources to repay the debt during the year. Based on this, the directors are satisfied that, for the foreseeable future and at least 12 months from the date of signing these accounts, the Group can meet its projected working capital requirements and consequently, the financial statements have been prepared on a going concern basis.

1.3 Basis of consolidation

The consolidated financial statements include the results of Cobaco Holdings Limited and its subsidiary undertakings drawn up to 30 April 2018. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Under section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

1.4 Impairment of Goodwill

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

NOTES (continued)

1.4 Impairment of Goodwill (continued)

The recoverable amount of the asset is the higher of fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

Goodwill is allocated on acquisition to the cash generating unit expected to benefit from the synergies of the combination. Goodwill is included in the carrying value of cash generating units for impairment testing.

1.5 Revenue

Revenue is set out in note 2. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, the amount of revenue can be measured reliably and recovery of the consideration probable. Revenue recognised represents the net invoice value of goods sold and services provided, excluding value added tax.

Revenue from sale of goods comprises revenue in respect of direct sales to customers and revenue in respect of long-term contracts. Revenue in respect of direct sales is recognised when the risks and rewards of ownership of the goods transfer to the customer.

Revenue in respect of long-term contracts is recognised in accordance with the stage of completion of contractual obligations to the customer. The stage of completion of the contract at the balance sheet date is assessed by reference to the value of work done. The timing of the transfer of risks and rewards will vary depending on the terms of the sales agreement, the evaluation of the specific risks associated with the performance of the contract (for example design, construction and testing) or generally accepted practice where there are no specific arrangements in the contract. Areas of judgement relate to estimation of the stage of completion and forecast outturn of the contract.

Revenue in respect of the rendering of services is recognised when the service is provided to the customer

1.6 Dividends on shares presented within shareholders' funds

Dividends are only recognised as a liability at that date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

1.7 Foreign currency

Transactions in foreign currencies are translated into the Group companies' functional currency at the rate of exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the exchange rate ruling at that date. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.8 Classification of financial instruments issued by the group

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

NOTES (continued)

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

1.8 Classification of financial instruments issued by the group (continued)

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.9 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.10 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a reducing balance basis over the estimated useful lives of each part of an item of tangible fixed assets. The rates used are as follows:

Improvements to property	- 10% on reducing balance
Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 33% on reducing balance and 20% on reducing balance
Motor vehicles	- 33% on reducing balance and 25% on reducing balance

1.11 Intangible assets and goodwill

Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Research and development

Expenditure on development activities may be capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development,

NOTES (continued)

future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development.

Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

1.11 Intangible assets and goodwill (continued)

Amortisation
Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Patents and trademarks - 20 years
Capitalised development costs - 4 years

Goodwill is amortised on a straight-line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 20 years.

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 of FRS102 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

1.12 Exceptional items

Items that are non-recurring in nature are presented as exceptional items in the profit and loss account. The Directors are of the opinion that the separate recording of exceptional items provides helpful information about the Group's underlying business performance. Events which may give rise to the classification of items as exceptional include restructuring of businesses, changes to business processes, gains or losses on the disposal or impairment of assets and other significant non-recurring gains.

1.13 Construction contract debtors

Construction contract debtors represent the gross unbilled amount for contract work performed to date. They are measured based on the value of work performed in the year (see the turnover accounting policy) less a provision for foreseeable losses and less progress billings. Variations are included in contract revenue when they are reliably measurable and it is probable that the customer will approve the variation itself and the revenue arising from the variation. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Company's contract activities based on normal operating capacity.

Construction contract debtors are presented as part of debtors in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as accruals and deferred income in the balance sheet.

1.14 Stocks

Stocks are stated at the lower of cost and estimated net realisable value. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. Work in progress and finished goods are stated at the cost of direct materials and labour.

NOTES (continued)

1.15 Expenses

Operating leases
Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and Interest payable
Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

1.15 Expenses (continued)

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains. Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

1.16 Employee benefits

Defined contribution plans and other long-term employee benefits
A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.17 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

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

NOTES (continued)

1.18 Judgements in applying accounting policies and key sources of estimation uncertainty

Accounting for long term contracts
The Group enters into long term contracts in the normal course of business. The nature of such contracts introduces judgement and uncertainty into the recognition of revenue and profit for the business. Should a contract be identified by the directors as onerous, an appropriate provision is made.

Impairment of goodwill and investments in subsidiaries
The group's management undertakes and impairment review of goodwill and investments in subsidiaries if events or changes in circumstances indicate that the carrying value may not be recoverable.

Where an indication of impairment is identified, the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculation the net present value of those cash flows.

NOTES (continued)

2. REVENUE

The revenue and loss before taxation are attributable to the principal activities of the group, being the design, manufacture, installation, service and sales of security bollards used in perimeter protection and related systems.

An analysis of revenue by activity and geographical market is given below:

By activity:

	2018	2017
	£	£
Sale of goods	**15,159,293**	13,563,654
Rendering of services	**2,174,062**	1,817,632
Royalties	**207,541**	263,854
	17,540,896	15,645,140

By geographical market:

	2018	2017
	£	£
United Kingdom	**10,163,842**	8,271,598
Rest of World	**7,377,054**	7,373,542
	17,540,896	15,645,140

3. STAFF COSTS

	2018	2017
	£	£
Wages and salaries	**3,177,963**	2,852,487
Social security costs	**336,567**	313,398
Other pension costs	**119,502**	107,970
	3,634,032	3,273,855

The 2017 figures have been restated to be consistent with the basis of the current year..

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

	2018	2017
	No.	No.
Administration	**41**	39
Sales, service and production	**38**	33
	79	72

Included in the above are Research and Development salaries, which have been capitalised in Development Costs, amounting to £225,395 (2017: £96,986).

NOTES (continued)

4. OPERATING LOSS

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

	2018	2017
	£	£
Equipment hirc	14,200	6,722
Vehicle leasing	169,409	146,685
Depreciation - owned assets	61,982	56,698
Goodwill amortisation	644,529	643,336
Consultancy	-	100,207
Patents and licences amortisation	10,362	11,461
Development costs amortisation	300,586	304,005
Auditors' remuneration:		
Audit of the financial statements	24,500	25,000
Audit of subsidiaries	5,000	5,000
Taxation compliance services provided by the auditor	5,000	31,804
Impairment of intangible assets	-	365,418

	2018	2017
	£	£
Directors' remuneration	**605,687**	438,347
Directors' pension contributions to money purchase schemes	**18,476**	17,951
	624,163	456,298

5. EXCEPTIONAL ITEMS

The exceptional costs incurred during the year relate to consultancy services, restructuring costs, and fees related to the bank loan.

	2018	2017
	£	£
Restructuring costs	**162,103**	-
Aborted acquisition costs	-	122,055
Recruitment	**45,689**	-
Consultancy costs	**442,255**	36,309
Impairment of intangible assets	-	365,418
Bank Charges	**184,700**	-
Stock provision	-	237,554
Debtors Issue	-	105,309
	834,747	866,645

NOTES (continued)

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2018	2017
	£	**£**
Loan notes	**2,180,128**	2,397,867
Preference share dividend	**1,549**	1,549
Bank Interest	**1,281**	4,157
	2,182,958	2,403,573

7. TAXATION

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2018		2017	
	£	**£**	£	£
Current tax				
Current tax on income for the period	**42,239**		-	
Adjustments in respect of prior periods	**(40,377)**		(25,039)	
Total current tax		**1,862**		(25,039)
Deferred tax (see note 21)				
Current year deferred tax credit	**(4,906)**		(52,033)	
Prior year adjustments to deferred tax	**(16,604)**		24,012	
Impact of rate change on deferred tax	-		(7,623)	
Total deferred tax		**(21,510)**		(35,644)
Total tax		**(19,648)**		(60,683)

	2018			2017		
	£	**£**	**£**	£	£	£
	Current tax	**Deferred tax**	**Total tax**	Current tax	Deferred tax	Total tax
Recognised in Profit and loss account	**1,862**	**(21,510)**	**(19,648)**	(25,039)	(35,974)	(60,683)
Total tax	**1,862**	**(21,510)**	**(19,648)**	(25,039)	(35,974)	(60,683)

NOTES (continued)

7. TAXATION (continued)

Reconciliation of effective tax rate:

	2018	2017
	£	£
Loss for the year	**(2,468,927)**	(3,182,213)
Total tax credit	**19,648**	60,683
Loss excluding taxation	**(2,488,575)**	(3,242,896)
Tax using the UK corporation tax rate of 19% (2017:19.72%)	**(472,829)**	(639,499)
Adjustments to tax charge in respect of previous periods	**(56,983)**	(1,027)
Non-deductible expenses	**515,320**	529,440
Research and Development enhanced tax relief	**-**	(102,544)
Deferred tax not recognised on losses	**(4,906)**	152,245
Effect of rate changes	**(252)**	702
Total tax expense included in profit or loss	**(19,648)**	(60,683)

Factors that may affect future tax changes

Reductions in the UK corporation tax rate to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 30 April 2017 has been calculated based on these rates.

8. INTANGIBLE FIXED ASSETS

Group

	Goodwill	Patents and licenses	Development costs	Totals
	£	£	£	£
COST				
At 1 May 2017	12,904,834	310,541	2,536,906	15,752,281
Additions	-	22,894	273,265	296,159
Reclassification	2,299	(48,312)	46,013	-
At 30 April 2018	12,907,133	285,123	2,856,184	16,048,440
AMORTISATION				
At 1 May 2017	2,792,471	104,189	2,158,700	5,055,360
Amortisation for the year	644,529	10,362	300,586	955,477
Reclassification	4,217	(4,212)	(5)	-
At 30 April 2018	3,441,217	110,339	2,459,281	6,010,837
NET BOOK VALUE				
At 30 April 2018	**9,465,916**	**174,784**	**396,903**	**10,037,603**
At 30 April 2017	10,112,363	206,352	378,206	10,696,921

The company holds no intangible assets.

NOTES (continued)

9. TANGIBLE FIXED ASSETS

Group

	Improvements to property	Plant and Machinery	Fixtures & fittings	Motor vehicles	Totals
	£	£	£	£	£
COST					
At 1 May 2017	561,091	305,873	395,527	49,947	1,312,438
Additions	22,499	5,336	28,869	7,580	64,284
Disposals	(17,252)	74	(41,460)	-	(58,818)
At 30 April 2018	566,338	305,873	382,756	57,527	1,317,904
DEPRECIATION					
At 1 May 2017	319,045	270,091	346,422	22,733	958,291
Charge for the year	25,125	7,790	19,630	9,437	61,982
Disposals	(17,253)	74	(41,639)	-	(58,818)
At 30 April 2018	319,045	277,955	324,413	22,733	961,455
NET BOOK VALUE					
At 30 April 2018	**239,421**	**33,328**	**58,343**	**25,357**	**356,449**
At 30 April 2017	242,043	35,782	49,105	27,214	354,147

The company holds no tangible assets.

10. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings
	£
COST	
At 1 May 2016 and 30 April 2017	17,945,381
Provision	-
NET BOOK VALUE	
At 30 April 2017 and at 30 April 2018	**17,945,381**

NOTES (continued)

10. FIXED ASSET INVESTMENTS (continued)

The company's investments at the balance sheet date in the share capital of companies include the following:

Subsidiary	Principal Activity	% Holding	Class Of	Direct/Indirect Holding
Cobaco Limited	Dormant company	100%	Ordinary	Direct
ATG Access (Holdings) Limited	Dormant company	100%	Ordinary	Indirect
ATG Access Limited	Design, manufacture, installation and servicing of access security posts	100%	Ordinary	Indirect
ATG Access Inc.	Non Trading (incorporated in USA)	100%	Ordinary	Indirect
Cobaco Barriers Limited	Dormant company	100%	Ordinary	Indirect
Vehicle Protection Security Posts Limited	Dormant company	100%	Ordinary	Indirect

The financial results of all the subsidiaries are included in the consolidated accounts. The companies above are registered at Cobaco House, North Florida Road Haydock Industrial Estate, Merseyside, WA11 9TP and were all incorporated in England and Wales, with the exception of ATG Access Inc. which is incorporated in the USA.

11. STOCKS

	Group	
	2018	**2017**
	£	**£**
Raw materials & consumables	**2,871,695**	1,707,220
Work in Progress	-	40,060
	2,871,695	1,747,280

Stock recognised in cost of sales during the year as an expense was £8,364,607 (2017: £7,199,483)

The Company holds no stock.

12. DEBTORS

	Group		Company	
	2018	**2017**	**2018**	**2017**
	£	**£**	**£**	**£**
Amounts falling due within one year:				
Trade debtors	**2,705,195**	2,570,531	-	-
Amounts recoverable on contracts	**569,994**	703,775	-	-
Other debtors	**381,234**	368,711	-	550,411
Tax	**39,178**	35,212	**4,168**	-
Prepayments	**299,552**	261,981	**62,826**	
	3,995,153	3,940,210	**66,994**	550,411

An impairment loss of £13,146 (2017: £105,000) was recognised against trade debtors

NOTES (continued)

13. CASH AND CASH EQUIVALENTS/BANK OVERDRAFTS

	2018	2017
Group	**£**	**£**
Cash at bank and in hand	**1,804,916**	1,073,100
Bank overdrafts (presented in creditors, see note 14)	**-**	-
Cash and cash equivalents per cash flow statements	**1,804,916**	1,073,100

The Company holds no cash.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018	**2017**	**2018**	**2017)**
	£	**£**	**£**	**£**
Trade creditors	**3,832,975**	2,577,890	**45,049**	7,533
Social security and other taxes	**99,915**	249,983	**-**	-
Accrued expenses	**1,320,615**	745,303	**24,466**	18,703
Amounts deferred on contract	**4,284,118**	3,656,618	**-**	-
Amounts owed to group companies	**-**	-	**632,789**	-
Accrued interest on loan notes	**3,390,427**	6,020,006	**3,390,427**	6,020,006
Bank Loan	**875,000**	-	**875,000**	-
Loan notes	**15,325,001**	4,800,000	**15,325,001**	4,800,000
	29,128,051	18,049,800	**20,292,732**	10,846,242

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

	Group		Company	
	2018	**2017**	**2018**	**2017**
	£	**£**	**£**	**£**
Loan Notes	**-**	10,600,001	**-**	10,600,001
Bank Loan	**3,250,000**	-	**3,250,000**	-
Preference Shares	**23,224**	23,224	**23,224**	23,224
	3,273,224	10,623,225	**3,273,224**	10,623,225

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2018	**2017**	**2018**	**2017**
	£	**£**	**£**	**£**
Amounts falling due within one year or on demand:	**16,200,001**	4,800,000	**16,200,001**	4,800,000
Amounts falling due between one and two years:	**3,250,000**	10,600,001	**3,250,000**	10,600,001
Amounts falling due between two and five years:	**-**	-	**-**	-
In more than five years	**23,224**	23,224	**23,224**	23,224
	19,473,225	15,423,225	**19,473,225**	15,423,225

NOTES (continued)

16. LOANS (continued)

The loan notes are secured by a fixed and floating charges over the assets of all group undertakings. The loan notes carry fixed interest at the basic rate of 11% per annum, payable quarterly in arrears.

Details of shares shown as liabilities are as follows:

Allotted, issued and fully paid:

	2018	2017
	£	£
23,224 Preference shares of £1 each	23,224	23,224

The preference shares carry a fixed preferential dividend at a rate of 5% per annum being paid up on the nominal value of each preference share. The preference dividend accrues from the date of issue to redemption and is paid in arrears immediately prior to a sale or listing or earlier as determined by the directors.

On a winding-up, the holders have priority before all other classes of shares to receive repayment of capital plus any arrears of dividend. The holders have no voting rights.

17. FINANCIAL INSTRUMENTS

	Group		Company	
	2018	2017	**2018**	2017
	£	£	**£**	£
Financial assets				
Financial assets that are measured at amortised cost	**5,461,339**	4,716,117	-	550,441
	5,461,339	4,716,117	-	550,441
Financial liabilities				
Financial liabilities that are measured at amortised cost	**27,994,018**	24,743,200	**23,542,731**	21,446,243
	27,994,018	24,743,200	**23,542,731**	21,446,243

Financial assets that are measured at amortised cost comprise cash at bank, trade debtors, amounts recoverable on contracts and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, accrued expenses, amounts owed to group companies, the bank loan, loan notes and accrued interest on loan notes.

NOTES (continued)

18. OPERATING LEASES

Non-cancellable operating lease rentals are payable as follows:

Group

	Land and buildings		Other operating leases	
	2018	**2017**	**2018**	**2017**
	£	**£**	**£**	**£**
Within one year	**106,286**	106,280	**162,935**	106,280
Between one and five years	**385,286**	398,572	**173,902**	212,009
In more than five years	**38,750**	131,750	-	-
	530,322	636,602	**336,837**	371,705

During the year, £275,695 was recognised as an expense in the profit and loss account in respect of operating lease (2017: £281,181).

19. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2018	**2017**	**2018**	**2017**
	£	**£**	**£**	**£**
Loan notes	**15,325,001**	15,400,001	**15,325,001**	15,400,001
Bank Loan	**4,125,000**	-	**4,125,000**	-

The loan notes are secured by way of a debenture, fixed and floating charge over the assets, present and future, of the company and all its subsidiaries.

In August 2017 the company entered into a £5m loan facility with Yorkshire Bank.

20. PROVISIONS FOR LIABILITIES

	Group	
	2018	**2017**
	£	**£**
Deferred tax	68,122	85,681

Group

	Deferred tax
	£
Balance at 1 May 2017	85,681
Credit to profit and loss account during year	(17,559)
Balance at 30 April 2018	68,122

NOTES (continued)

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

	2018	2017
	£	£
2,000,000 A Ordinary shares of 2p each	40,000	40,000
1,529,412 B Ordinary shares of 5p each	76,471	76,471
117,648 C Ordinary shares of 5p each	5,882	5,882
235,294 D Ordinary shares of 0.1p each	235	235
200,000 E Ordinary shares of 5p each	10,000	10,000
	132,588	132,588

The share classes rank pari passu in all respects.

22. RESERVES

Share premium account
The share premium account includes any premium received on the issue of share capital. Any transaction costs associated with the issue of shares are deducted from the share premium

Profit and Loss Account
Includes all current and prior period retained profits and losses.

Foreign Currency Reserves
Comprises translation differences arising from the translation of financial information of the Group's foreign entity into GBP.

23. PENSION COMMITMENTS

The group operates a defined contribution pension scheme. The scheme is managed by independent fund managers and
its assets/liabilities are held separately from that of the company/group.

The pension charge represents the amount paid by the group and amounted to £119,502 (2017 - £107,970) in the year.

24. RELATED PARTY DISCLOSURES

There is a composite guarantee between the company and its subsidiary companies Cobaco Limited, ATG Access (Holdings) Limited and ATG Access Limited with regard to a bank loan facility with Natwest during the year

G C Cooper
A director of the company.

During the year loan notes held by G C Cooper of £1,517,106 accrued interest at a basic rate of 11% amounting to £166,811. At 30 April 2018, interest of £367,503 (2017 - £617,615) remained outstanding, £23,787 of which is additional penalty interest at a basic rate of 15%.

R N Ball
A director of the company.

During the year loan notes held by R N Ball of £832,895 accrued interest at a basic rate of 11% amounting to £91,618. As at 30 April 2018, interest of £187,085 (2017: £326,177) remained outstanding, £11,616 of which is additional penalty interest at a basic rate of 15%.

NOTES (continued)

24. RELATED PARTY DISCLOSURES (continued)

M Clegg
A director of the company (now resigned)

During the year loan notes held by M Clegg of £75,000 accrued interest at a basic rate of 11% amounting to £8,250. At 30 April 2018, interest of £6,099 (2017: £14,883) remained outstanding, £154 of which is additional penalty interest at a basic rate of 15%.

S Beard
A director of the company (now resigned)

During the year loan notes held by S Beard of £75,000 accrued interest at a basic rate of 11% amounting to £2,305. At 30 April 2018 these loans notes and any interest owed had been repaid (2017: £14,883).

Trustees of Alderwell Ltd SSAS
An entity under the control of Mr G C Cooper, a director of the group, in which Mr G C Cooper is also a beneficiary.

During the year the group was charged rent of £93,000 (2017 - £90,798).

Alderwell Limited
A company under the control of Mrs H Cooper, the wife of Mr G C Cooper.

During the year the group was charged consultancy fees of £99,775 (2017 - £100,207).

LDC II LP
A significant shareholder and investor in the group, with representatives, G Gould and J Clarke, as non-executive Board members during the year.

During the year loan notes held by LDC II LP of £12,900,000 accrued interest at a basic rate of 11% amounting to £1,386,166. At 30 April 2018, interest of £2,834,614 (2017 - £5,046,487) remained outstanding, £167,183 of which is additional penalty interest at a basic rate of 15%.

25. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Lloyds Development Capital through it's LDC 11 LP and LDC Parallel 11 LP.