

HAMSARD 3606 LIMITED
GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 26TH NOVEMBER 2020 TO 31ST JULY 2021

Thomas Coombs Limited
Statutory Auditor
Chartered Accountants
3365 The Pentagon
Century Way
Thorpe Park
Leeds
West Yorkshire
LS15 8ZB

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FOR THE PERIOD 26TH NOVEMBER 2020 TO 31ST JULY 2021**

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COMPANY INFORMATION

FOR THE PERIOD 26TH NOVEMBER 2020 TO 31ST JULY 2021

DIRECTORS:

T J Williams
D Gilbertson
S J Potkins
J E Thornhill
D B Alderson
I G Burnett
R M A Ibbett

REGISTERED OFFICE:

Charles Babbage House
Kingsway Business Park
Rochdale
OL16 4NW

REGISTERED NUMBER:

13044807 (England and Wales)

AUDITORS:

Thomas Coombs Limited
Statutory Auditor
Chartered Accountants
3365 The Pentagon
Century Way
Thorpe Park
Leeds
West Yorkshire
LS15 8ZB

**GROUP STRATEGIC REPORT
FOR THE PERIOD 26TH NOVEMBER 2020 TO 31ST JULY 2021**

The directors present their strategic report of the company and the group for the period 26th November 2020 to 31st July 2021.

REVIEW OF BUSINESS

The directors are pleased with the results for the inaugural period for Hamsard 3606 Limited. The group is in a strong financial position to facilitate rapid future growth. The directors expect growth in revenue, gross margin and EBITDA over the next 12 months.

The results for the period and financial position of the company and the group are as shown in the annexed financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the group's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the group are considered to relate to competition from national and independent providers.

There is currently a lot of uncertainty in the global supply chain, but the directors continue to mitigate this risk with the help of long-standing supplier relationships. Further, the directors don't foresee any material supply issues arising within the next 12 months.

The group has exposure to foreign exchange risk due to the international nature of its operations.

KEY PERFORMANCE INDICATORS

The directors consider revenue, gross profit margin and EBITDA margins to be the core KPIs for the group. The directors also focus on recurring revenues as a future growth driver and value creator. Tower utilisation is key to understanding the businesses return on investment.

The directors are pleased to report a strong performance across all these KPIs as presented within the financial statements of the group's subsidiaries.

FUTURE OUTLOOK

Hamsard 3606 Limited ends the period with net assets of £649,793. Hamsard 3606 Limited's immediate subsidiary (WCCTV Group Limited) posted net assets of £12.7 million at the same period end.

During the inaugural period since the inception of Hamsard 3606 Limited, the spread of COVID-19 has impacted many local economies around the globe. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

The business has remained resilient throughout the pandemic and remains on track to exceed current and future financial targets.

ON BEHALF OF THE BOARD:

T J Williams - Director

26th October 2021

**REPORT OF THE DIRECTORS
FOR THE PERIOD 26TH NOVEMBER 2020 TO 31ST JULY 2021**

The directors present their report with the financial statements of the company and the group for the period 26th November 2020 to 31st July 2021.

COMMENCEMENT OF TRADING

Hamsard 3606 Limited was incorporated on 26th November 2020. The group was formed on 24th February 2021 following the acquisition of WCCTV Group Limited and its subsidiary undertakings.

DIVIDENDS

No dividends will be distributed for the period ended 31st July 2021.

RESEARCH AND DEVELOPMENT

Research and development costs that were either expended to the profit and loss account or recognised as an intangible asset during the period totalled £476,868.

DIRECTORS

The directors who have held office during the period from 26th November 2020 to the date of this report are as follows:

T J Williams - appointed 25th January 2021
D Gilbertson - appointed 24th February 2021
S J Potkins - appointed 24th February 2021
J E Thornhill - appointed 24th February 2021
Squire Patton Boggs Directors Limited - appointed 26th November 2020 - resigned 25th January 2021
J J Jones - appointed 26th November 2020 - resigned 25th January 2021
D B Alderson - appointed 24th February 2021
I G Burnett - appointed 24th February 2021
R M A Ibbett - appointed 24th February 2021

All the directors who are eligible offer themselves for election at the forthcoming first Annual General Meeting.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and 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 directors are 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 each director 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.

**REPORT OF THE DIRECTORS
FOR THE PERIOD 26TH NOVEMBER 2020 TO 31ST JULY 2021**

AUDITORS

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

ON BEHALF OF THE BOARD:

T J Williams - Director

26th October 2021

Opinion

We have audited the financial statements of Hamsard 3606 Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31st July 2021 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 31st July 2021 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, 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, 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions 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 Directors 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 Directors 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 Directors.

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the entity and industries in which it operates, we identified the principal risks of non-compliance with laws and regulations related to health and safety (CHAS) and data protection. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, tax legislation and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls, and ensuring these controls operated as intended. We determined the principal risks were related to posting journal entries to manipulate profits, and management bias in accounting estimates, especially stock provisions and revenue cut off.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Identified and tested journal entries and identified any significant transactions that were unusual or outside the normal course of business.
- Investigated the rationale behind significant or unusual transactions.
- Challenged assumptions and judgements made by management in determining significant accounting estimates, in particular in relation to stock provisions and revenue cut off.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed audit procedures which included, but were not limited to:

- Agreeing financial statements disclosures to underlying supporting documentation.
- Discussions with management of known or suspected instances of non-compliance with laws and regulations.
- Reading the minutes of meetings of those charged with governance.
- Reviewing correspondence with HMRC, relevant regulators including CHAS and the company's legal advisors.

At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance of laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement relating to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment.

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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HAMSARD 3606 LIMITED**

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.

Thomas Bond ACA (Senior Statutory Auditor)
for and on behalf of Thomas Coombs Limited
Statutory Auditor
Chartered Accountants
3365 The Pentagon
Century Way
Thorpe Park
Leeds
West Yorkshire
LS15 8ZB

26th October 2021

CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD 26TH NOVEMBER 2020 TO 31ST JULY 2021

	Notes	£
TURNOVER	3	9,081,859
Cost of sales		<u>3,199,093</u>
GROSS PROFIT		5,882,766
Administrative expenses		<u>5,129,950</u>
OPERATING PROFIT	5	752,816
Interest payable and similar expenses	6	<u>2,414,839</u>
LOSS BEFORE TAXATION		(1,662,023)
Tax on loss	7	<u>86,638</u>
LOSS FOR THE FINANCIAL PERIOD		<u>(1,748,661)</u>
Loss attributable to:		
Owners of the parent		<u><u>(1,748,661)</u></u>

**CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE PERIOD 26TH NOVEMBER 2020 TO 31ST JULY 2021**

	Notes	£
LOSS FOR THE PERIOD		(1,748,661)
OTHER COMPREHENSIVE INCOME		
Exchange adjustments		3,572
Fair value of business acquisition		1,951,965
Income tax relating to components of other comprehensive income		-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX		1,955,537
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		206,876
Total comprehensive income attributable to: Owners of the parent		206,876

CONSOLIDATED BALANCE SHEET
31ST JULY 2021

	Notes	£	£
FIXED ASSETS			
Intangible assets	9		47,007,636
Tangible assets	10		9,264,322
Investments	11		<u>-</u>
			56,271,958
CURRENT ASSETS			
Stocks	12	3,968,267	
Debtors	13	5,720,299	
Cash at bank and in hand		<u>4,788,524</u>	
		14,477,090	
CREDITORS			
Amounts falling due within one year	14	<u>11,276,385</u>	
NET CURRENT ASSETS			<u>3,200,705</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			59,472,663
CREDITORS			
Amounts falling due after more than one year	15		(58,273,465)
PROVISIONS FOR LIABILITIES	19		<u>(549,405)</u>
NET ASSETS			<u><u>649,793</u></u>
CAPITAL AND RESERVES			
Called up share capital	20		35,927
Share premium	21		406,990
Fair value reserve	21		1,951,965
Retained earnings	21		<u>(1,745,089)</u>
			<u><u>649,793</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 26th October 2021 and were signed on its behalf by:

T J Williams - Director

J E Thornhill - Director

COMPANY BALANCE SHEET
31ST JULY 2021

	Notes	£	£
FIXED ASSETS			
Intangible assets	9		-
Tangible assets	10		-
Investments	11		<u>55,164,641</u>
			55,164,641
CURRENT ASSETS			
Debtors	13	340,938	
CREDITORS			
Amounts falling due within one year	14	<u>2,414,999</u>	
NET CURRENT LIABILITIES			<u>(2,074,061)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			53,090,580
CREDITORS			
Amounts falling due after more than one year	15		<u>55,142,669</u>
NET LIABILITIES			<u><u>(2,052,089)</u></u>
CAPITAL AND RESERVES			
Called up share capital	20		35,927
Share premium	21		406,990
Retained earnings	21		<u>(2,495,006)</u>
			<u><u>(2,052,089)</u></u>
Company's loss for the financial year			<u><u>(2,495,006)</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 26th October 2021 and were signed on its behalf by:

T J Williams - Director

J E Thornhill - Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 26TH NOVEMBER 2020 TO 31ST JULY 2021

	Called up share capital £	Retained earnings £	Share premium £	Fair value reserve £	Total equity £
Changes in equity					
Issue of share capital	35,927	-	406,990	-	442,917
Total comprehensive income	-	(1,745,089)	-	1,951,965	206,876
Balance at 31st July 2021	35,927	(1,745,089)	406,990	1,951,965	649,793

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 26TH NOVEMBER 2020 TO 31ST JULY 2021

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Changes in equity				
Issue of share capital	35,927	-	406,990	442,917
Total comprehensive income	-	(2,495,006)	-	(2,495,006)
Balance at 31st July 2021	35,927	(2,495,006)	406,990	(2,052,089)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 26TH NOVEMBER 2020 TO 31ST JULY 2021

	Notes	£
Cash flows from operating activities		
Cash generated from operations	1	5,333,786
Interest paid		(2,387,548)
Interest element of hire purchase payments paid		(27,291)
Tax paid		(63,454)
Net cash from operating activities		<u>2,855,493</u>
Cash flows from investing activities		
Purchase of intangible fixed assets		(471,999)
Purchase of tangible fixed assets		(2,434,273)
Sale of tangible fixed assets		33,982
Overfund from share acquisition proceeds		507,714
Cash acquired in business combination		<u>3,102,470</u>
Net cash from investing activities		<u>737,894</u>
Cash flows from financing activities		
Bank loan repayments		(42,610)
HP contracts financed		1,532,523
HP contract repayments		<u>(815,626)</u>
Net cash from financing activities		<u>674,287</u>
Increase in cash and cash equivalents		<u>4,267,674</u>
Cash and cash equivalents at beginning of period	2	-
Cash and cash equivalents at end of period	2	<u><u>4,267,674</u></u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 26TH NOVEMBER 2020 TO 31ST JULY 2021**
1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	£
Loss before taxation	(1,662,023)
Depreciation charges	3,027,324
Loss on disposal of fixed assets	79
Exchange rate adjustments	12,098
Finance costs	<u>2,414,839</u>
	3,792,317
Increase in stocks	(426,349)
Increase in trade and other debtors	(2,498,382)
Increase in trade and other creditors	<u>4,466,200</u>
Cash generated from operations	<u>5,333,786</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:

Period ended 31st July 2021

	31/7/21 £	26/11/20 £
Cash and cash equivalents	4,788,524	-
Bank overdrafts	<u>(520,850)</u>	<u>-</u>
	<u>4,267,674</u>	<u>-</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 26/11/20 £	Cash flow £	At 31/7/21 £
Net cash			
Cash at bank and in hand	-	4,788,524	4,788,524
Bank overdrafts	<u>-</u>	<u>(520,850)</u>	<u>(520,850)</u>
	<u>-</u>	<u>4,267,674</u>	<u>4,267,674</u>
Debt			
Finance leases	-	(2,796,812)	(2,796,812)
Debts falling due within 1 year	-	(60,386)	(60,386)
Debts falling due after 1 year	<u>-</u>	<u>(55,187,959)</u>	<u>(55,187,959)</u>
	<u>-</u>	<u>(58,045,157)</u>	<u>(58,045,157)</u>
Total	<u>-</u>	<u>(53,777,483)</u>	<u>(53,777,483)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 26TH NOVEMBER 2020 TO 31ST JULY 2021**

1. STATUTORY INFORMATION

Hamsard 3606 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. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Basis of consolidation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial reporting Standard 102- "The Financial reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102), and with the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The group financial statements consolidate the financial statements of Hamsard 3606 Limited and all its subsidiary undertakings drawn up to 31st July each year.

The financial statements have been prepared in sterling. All monetary amounts in the financial statements are rounded to the nearest £.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill.

Goodwill, being the amount paid in connection with the acquisition of WCCTV Group Limited and its subsidiary undertakings on 24th February 2021, is to be amortised evenly over its useful life of 10 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 26TH NOVEMBER 2020 TO 31ST JULY 2021

2. ACCOUNTING POLICIES - continued

Turnover

Turnover represents the amounts invoiced for goods and services, excluding value added tax or local sales taxes. Reoccurring airtime, warranty and monitoring income is recognised over the period of the contract.

Other intangible fixed assets

Other intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- The intention to complete the intangible asset and use or sell it.
- The ability to use the intangible asset or to sell it.
- How the intangible asset will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. Intangible assets are amortised over the following useful economic lives:

- Trademarks - 10 years straight line
- Development costs - 5 to 8 years straight line

If there is an indication that there has been a significant change in amortisation rate or residual value of an intangible asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided to write off the cost less the estimated residual of tangible fixed assets by equal instalments over their estimated useful lives as follows:

Computer equipment, Demo units, Exhibition, Tools, Trial stock	- 20% per annum
Motor vehicles	- 25% per annum
NPD stock, Rental stock, Fuel cell stock	- 33% per annum
Office equipment	- 10% per annum
Rental towers	-14% per annum

Land, disclosed as freehold property in the accounts is not depreciated given the directors consider its useful life to be infinite.

Stocks

Stocks are the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition.

Taxation

Taxation for the period 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 26TH NOVEMBER 2020 TO 31ST JULY 2021

2. ACCOUNTING POLICIES - continued**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 period 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.

Development costs incurred on specific projects are capitalised when recoverability can be assessed with reasonable certainty and amortised in line with expected sales/use arising from the projects. All other development costs are written off in the year of expenditure.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The pension costs are paid into the individuals own pension schemes. The cost is charged to the profit and loss account.

Provisions

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently they are measured at fair value through profit or loss if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

3. TURNOVER

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

An analysis of turnover by geographical market is given below:

	£
United Kingdom	7,529,710
United States of America	1,552,149
	<u>9,081,859</u>

4. EMPLOYEES AND DIRECTORS

	£
Wages and salaries	1,754,661
Social security costs	162,411
Other pension costs	38,925
	<u>1,955,997</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 26TH NOVEMBER 2020 TO 31ST JULY 2021

4. EMPLOYEES AND DIRECTORS - continued

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

Directors	7
Staff	104
	<u>111</u>

The average number of employees by undertakings that were proportionately consolidated during the period was 44 .

	£
Directors' remuneration	358,343
Directors' pension contributions to money purchase schemes	<u>11,458</u>

Information regarding the highest paid director is as follows:

	£
Emoluments etc	125,326
Pension contributions to money purchase schemes	<u>4,999</u>

5. OPERATING PROFIT

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

	£
Hire of plant and machinery	75,657
Depreciation - owned assets	986,934
Loss on disposal of fixed assets	79
Goodwill amortisation	1,968,408
Trademark amortisation	3,773
Development costs amortisation	68,209
Auditors' remuneration	17,998
Foreign exchange differences	(9,903)
Research and development expenditure	<u>22,606</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	£
Interest payable	2,387,548
Hire purchase	<u>27,291</u>
	<u>2,414,839</u>

7. TAXATION**Analysis of the tax charge**

The tax charge on the loss for the period was as follows:

	£
Current tax:	
Prior year under/(over)	
provision	(258,006)
Deferred tax	<u>344,644</u>
Tax on loss	<u>86,638</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 26TH NOVEMBER 2020 TO 31ST JULY 2021

7. TAXATION - continued**Reconciliation of total tax charge included in profit and loss**

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

	£
Loss before tax	<u>(1,662,023)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19%	<u>(315,784)</u>
Effects of:	
Expenses not deductible for tax purposes	798,336
Capital allowances in excess of depreciation	(357,950)
Adjustments to tax charge in respect of previous periods	(7,850)
Enhanced reliefs	(113,675)
Subsidiary losses	46,078
Deferred tax	344,644
Relief on EMI share options	(798,580)
Losses carried forward	198,126
Pre acquisition profits	<u>293,293</u>
Total tax charge	<u>86,638</u>

Tax effects relating to effects of other comprehensive income

	Gross £	Tax £	Net £
Exchange adjustments	3,572	-	3,572
Fair value of business acquisition	<u>1,951,965</u>	-	<u>1,951,965</u>
	<u>1,955,537</u>	-	<u>1,955,537</u>

8. INDIVIDUAL INCOME STATEMENT

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 26TH NOVEMBER 2020 TO 31ST JULY 2021

9. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Trademark £	Development costs £	Totals £
COST				
Additions	47,172,053	7,237	454,262	47,633,552
Acquisition through business combination	69,747	87,505	1,940,191	2,097,443
At 31st July 2021	47,241,800	94,742	2,394,453	49,730,995
AMORTISATION				
Amortisation for period	1,968,408	3,773	68,209	2,040,390
Acquisition through business combination	31,968	28,336	622,665	682,969
At 31st July 2021	2,000,376	32,109	690,874	2,723,359
NET BOOK VALUE				
At 31st July 2021	45,241,424	62,633	1,703,579	47,007,636

10. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	CCTV Equipment £	Totals £
COST					
Additions	-	176,840	33,289	2,224,144	2,434,273
Disposals	-	(1,064)	-	(43,785)	(44,849)
Acquisition through business combination	249,821	2,231,293	793,474	9,849,927	13,124,515
Exchange differences	-	(546)	(906)	(7,107)	(8,559)
At 31st July 2021	249,821	2,406,523	825,857	12,023,179	15,505,380
DEPRECIATION					
Charge for period	-	85,883	65,950	835,101	986,934
Eliminated on disposal	-	(18)	-	(10,770)	(10,788)
Acquisition through business combination	-	1,452,815	209,481	3,604,079	5,266,375
Exchange differences	-	(224)	(197)	(1,042)	(1,463)
At 31st July 2021	-	1,538,456	275,234	4,427,368	6,241,058
NET BOOK VALUE					
At 31st July 2021	249,821	868,067	550,623	7,595,811	9,264,322

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 26TH NOVEMBER 2020 TO 31ST JULY 2021

11. FIXED ASSET INVESTMENTS**Company**

	Shares in group undertakings £
COST	
Additions	55,164,641
At 31st July 2021	55,164,641
NET BOOK VALUE	
At 31st July 2021	55,164,641

Fixed asset investments relate to the acquisition of 100% of WCCTV Group Limited and its subsidiary undertakings on 24th February 2021. The cost of this acquisition was in the form of cash, debt instruments and equity.

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

Subsidiaries**WCCTV Group Limited**

Registered office: Charles Babbage House, Kingsway Business Park, Rochdale, Lancashire, OL16 4NW

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

Wireless CCTV Limited

Registered office: Charles Babbage House, Kingsway Business Park, Rochdale, Lancashire, OL16 4NW

Nature of business: Design, manufacture and sale of wireless CCTV

Class of shares:	%
Ordinary	holding 100.00

A 100% subsidiary of WCCTV Group Limited.

Wireless CCTV Inc

Registered office: 866 Presidential Drive, Suite 406, Richardson, Dallas, Texas, 75081, U.S.A.

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

A 100% subsidiary of Wireless CCTV Limited.

Wireless CCTV LLC

Registered office: 866 Presidential Drive, Suite 406, Richardson, Dallas, Texas, 75081, U.S.A.

Nature of business: Sale of wireless CCTV

Class of shares:	%
Ordinary	holding 100.00

A 100% subsidiary of Wireless CCTV Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 26TH NOVEMBER 2020 TO 31ST JULY 2021

11. FIXED ASSET INVESTMENTS - continued

Wireless CCTV (Northern Ireland) Limited

Registered office: 6b Upper Water Street, Newry, Northern Ireland, BT34 1DJ

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

A 100% subsidiary of Wireless CCTV Limited.

12. STOCKS

	Group £
Stock	<u>3,968,267</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group £	Company £
Trade debtors	3,996,995	-
Amounts owed by group undertakings	-	324,241
Other debtors	74,350	-
Tax	416,726	-
VAT	-	10,631
Deferred tax asset	-	6,066
Prepayments and accrued income	<u>1,232,228</u>	-
	<u>5,720,299</u>	<u>340,938</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group £	Company £
Bank loans and overdrafts (see note 16)	581,236	-
Hire purchase contracts (see note 17)	1,266,559	-
Trade creditors	1,845,429	10,000
Social security and other taxes	116,232	17,997
VAT	1,313,844	-
Amounts owed to related parties	18,456	-
Deferred income	2,568,299	-
Accruals	<u>3,566,330</u>	<u>2,387,002</u>
	<u>11,276,385</u>	<u>2,414,999</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 26TH NOVEMBER 2020 TO 31ST JULY 2021

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

	Group £	Company £
Bank loans (see note 16)	45,290	-
Other loans (see note 16)	55,142,669	55,142,669
Hire purchase contracts (see note 17)	1,530,253	-
Deferred income	1,555,253	-
	<u>58,273,465</u>	<u>55,142,669</u>

16. LOANS

An analysis of the maturity of loans is given below:

	Group £	Company £
Amounts falling due within one year or on demand:		
Bank overdrafts	520,850	-
Bank loans	60,386	-
	<u>581,236</u>	<u>-</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	45,290	-
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Other loans	<u>55,142,669</u>	<u>55,142,669</u>

Other loans of £55,142,669 relates to loan notes which are due to be repaid by 24th February 2027. Interest is charged on the principle amount at 10% per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 26TH NOVEMBER 2020 TO 31ST JULY 2021

17. LEASING AGREEMENTS**Group****Hire purchase contracts**

	2021 £
Net obligations repayable:	
Within one year	1,266,559
Between one and five years	<u>1,530,253</u>
	<u>2,796,812</u>

Group**Non-cancellable operating leases**

	Land and Buildings 2021	Other 2021
Net obligations repayable:		
Within one year	207,785	53,264
Between one and five years	<u>572,531</u>	<u>34,266</u>
	<u>780,316</u>	<u>87,350</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group £
Bank overdrafts	520,850
Bank loans	105,676
Hire purchase contracts	2,796,812
Other loans	<u>27,571,342</u>
	<u>30,994,680</u>

Security on the hire purchase contracts is held on the assets they relate to.

Security on the overdraft facility is in the form of a group set off held by the bank.

Security on loans is in the forms of a fixed charge over the leasehold property and a fixed and floating charge over the assets of the group.

19. PROVISIONS FOR LIABILITIES

	Group £
Deferred tax	
Accelerated capital allowances	<u>549,405</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 26TH NOVEMBER 2020 TO 31ST JULY 2021

19. PROVISIONS FOR LIABILITIES - continued**Group**

	Deferred tax £
Acquired from investment	203,331
Exchange adjustments	1,430
Movement in year	<u>344,644</u>
Balance at 31st July 2021	<u>549,405</u>

Company

	Deferred tax £
Movement in year	<u>(6,066)</u>
Balance at 31st July 2021	<u>(6,066)</u>

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £
457,432	Ordinary A	£0.02	9,149
407,568	Ordinary B	£0.05	20,378
123,000	Ordinary C	£0.05	6,150
5,000	Ordinary D	£0.05	<u>250</u>
			<u>35,927</u>

Consideration received for the allotment of ordinary A shares during the year was £200,000.

Consideration received for the allotment of ordinary B shares during the year was £186,948.

Consideration received for the allotment of ordinary C shares during the year was £53,782.

Consideration received for the allotment of ordinary D shares during the year was £2,187.

Except as provided otherwise in the Company's articles of association, the A ordinary shares, B ordinary shares, C ordinary shares and D ordinary shares rank pari passu but constitute separate classes of shares.

21. RESERVES**Group**

	Retained earnings £	Share premium £	Fair value reserve £	Totals £
Deficit for the period	(1,748,661)			(1,748,661)
Issue of share capital	-	406,990	-	406,990
Exchange adjustments	3,572	-	-	3,572
Business acquisition	-	-	1,951,965	1,951,965
At 31st July 2021	<u>(1,745,089)</u>	<u>406,990</u>	<u>1,951,965</u>	<u>613,866</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 26TH NOVEMBER 2020 TO 31ST JULY 2021

21. RESERVES - continued**Company**

	Retained earnings £	Share premium £	Totals £
Deficit for the period	(2,495,006)		(2,495,006)
Issue of share capital	-	406,990	406,990
At 31st July 2021	<u>(2,495,006)</u>	<u>406,990</u>	<u>(2,088,016)</u>

22. RELATED PARTY DISCLOSURES

During the period ended 31st July 2021 the group received net tangible products and services of £150,580 from a company in which a director of Hamsard 3606 Limited is also a director.

At 31st July 2021 the group owed £18,456 to a company in which a director of Hamsard 3606 Limited is also a director.

During the period ended 31st July 2021 the group paid rent of £32,138 to a pension scheme in which some of the directors have a material interest. At 31st July 2021 the group owed the pension scheme £Nil.

At 31st July 2021 amounts owed to directors in the form of loan notes totalled £15,017,887. The loan notes are repayable by 24th February 2027. Interest on these loan notes is charged at 10%. Interest charged during the period and accrued at 31st July 2021 totalled £650,089.

At 31st July 2021 amounts owed to close family members of directors in the form of loan notes totalled £4,480,801. The loan notes are repayable by 24th February 2027. Interest on these loan notes is charged at 10%. Interest charged during the period and accrued at 31st July 2021 totalled £193,963.

At 31st July 2021 amounts owed to a trust in which a director of Hamsard 3606 Limited is a trustee in the form of loan notes totalled £5,664,734. The loan notes are repayable by 24th February 2027. Interest on these loan notes is charged at 10%. Interest charged during the period and accrued at 31st July 2021 totalled £245,213.

23. ULTIMATE CONTROLLING PARTY

In the opinion of the directors, Hamsard 3606 Limited has no ultimate controlling party.

24. PENSION SCHEME

The group contributes to defined contribution pension schemes. The pension cost charged for the year represents contributions payable by the group to the schemes and amounted to £47,175.

There were outstanding contributions payable to the schemes as at 31st July 2021 of £Nil.

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