

COMPANY REGISTRATION NO. 06518981 (England and Wales)

GUARDIAN HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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GUARDIAN HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mr I C Maxted Mr W McCall Mr E W Francis Mr M Kerr	(Appointed 19 January 2018)
Secretary	Mr E W Francis	
Company number	06518981	
Registered office	Merlin House Brunel Court Village Farm Industrial Estate Pyle Bridgend United Kingdom CF33 6BL	
Auditor	UHY Hacker Young Lanyon House Mission Court Newport South Wales United Kingdom NP20 2DW	

GUARDIAN HOLDINGS LIMITED

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GUARDIAN HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present the strategic report for the year ended 31 March 2018.

Fair review of the business

The directors are content with the group and the company's results for the year and are looking forward to progress in the coming year.

The trading results for the year and the group and the company's financial position at the end of the year are shown in the attached financial statements. In addition to the monthly management accounts and information that is produced and monitored against the group and the company's plan and the previous year's performance the Board uses key performance indicators in the management of the key risks of the business and as a measure of the business efficiencies of the group.

The key performance indicators used to monitor performance are revenue and gross profit. Revenue has increased by 52.1% on the prior year. Gross profit margin increased to 73.4% (2017: 50.4%) for the year ended 31 March 2018.

In preparing the financial statements, the directors have considered the current position of the group and the company and the likely future cash flows. The group suffered a loss for the year of £0.8m (2017: £2.3m). This includes rolled up interest costs of £0.6m (2017: £0.6m) and non-cash costs of depreciation and amortisation of £0.9m (2017: £1.0m), excluding these costs the group made a profit of £0.7m (2017: loss of £0.7m).

The balance sheets on pages page 9 and page 11 show that the group and the company had net liabilities of £9.8m and £5.1m respectively (2017: £9.0m and £4.4m), this includes significant borrowings not expected to be repayable in the foreseeable future. The borrowing costs due after more than one year are recorded at amortised cost using the effective interest rate method in accordance with FRS 102. The total liability recorded is £12.3m (2017: £11.4m) which includes loan notes of £12.2m (2017: £11.2m) comprising principal of £7.1m (2017: £6.7m) and rolled up interest of £5.1m (2017: £4.5m) (refer to note 20). The Board expects to continue to negotiate extensions to the maturity date of the loan notes until the sale of the business, therefore the Board does not anticipate that these loan notes will affect the operating cashflow of the business. Net current assets were £2.3m (2017: £1.5m) for the group and £405 (2017: £1,459) for the company.

The group's trading activities are forecast to generate positive future cash flows, thus enabling the group to meet its financial obligations as they fall due, therefore the Board has concluded that it remains appropriate to continue to adopt the going concern basis.

Principal risks and uncertainties

The group's principal financial instruments comprise bank balances, bank overdrafts, loans, trade creditors, trade debtors, and finance lease agreements. The group does not use derivative financial instruments for speculative purposes.

The group's activities expose it to a number of financial risks including price risk, credit risk, cash flow risk and liquidity risk.

Cash flow risk - Loans bear fixed interest rates, therefore the group does not have significant exposure to adverse movements in interest rates. The group's activities expose it to the financial risks of changes in foreign currency exchange rates. The group does not actively manage foreign currency exposure, however, there is a reasonable degree of natural hedge between foreign monetary assets and liabilities.

Credit risk - The group's principal financial assets are bank balances and cash, and trade and other receivables. The group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk - In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mixture of long-term equity and short-term debt finance.

Price risk - The group does not have significant exposure to price risk.

GUARDIAN HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Research and development

The group has a programme of continuous investment in its product development activities. Research and development costs of £0.8 million (2017: £0.8 million) were incurred in continuing operations during the year.

On behalf of the board



Mr E W Francis

Director

12th July 2018

GUARDIAN HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present their annual report and financial statements for the year ended 31 March 2018.

Principal activities

The principal activity of the company continued to be that of a holding company for Guardian Global Technology Group Limited and its subsidiary Guardian Global Technologies Limited. The principal activity of the group continued to be that of the design and manufacture of equipment predominantly in the oil and gas industry.

Change in control

On 18 May 2017 various Lloyds Development Capital (LDC) entities became the owner of the equity shares in the company, previously owned by EPI-V Equity LP and EPI-V Equity Investments LLP, post a distribution in specie. The group is no longer considered to have a single controlling party.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr K J Forbes	(Resigned 18 May 2017)
Mr J C Hutchinson	(Resigned 18 May 2017)
Mr I C Maxted	
Mr W McCall	
Mr E W Francis	
Mr K W Binnie	(Resigned 27 December 2017)
Mr M Kerr	(Appointed 19 January 2018)

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Auditor

UHY Hacker Young have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

GUARDIAN HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

Going concern

The group has sustained significant losses in the last couple of years due to poor market conditions in the group's core sectors in the Oil and Gas industry resulting in the group's sales being depressed and the group having to incur restructuring costs. Revenue fell by 46% in 2016 compared to the year to 31 March 2015; and fell by a further 10% in 2017 compared to the year ended 31 March 2016. However revenue increased 52% in 2018 compared to the year to 31 March 2017. The group suffered a loss for the year of £0.8m (2017: £2.3m). This includes rolled up interest costs of £0.6m (2017: £0.6m) and non-cash costs of depreciation and amortisation of £0.9m (2017: £1.0m), excluding these costs the group made a profit of £0.7m (2017: loss of £0.7m).

The group had net liabilities of £9.8m (2017: £9.0m) however this includes loan notes and rolled up interest of £12.2m (2017: £11.2m) that is not expected to be paid in the foreseeable future.

The group had net current assets of £2.3m at 31 March 2018 (2017: £1.5m) including cash of £363,152 (2017: £285,061). The directors have prepared forecasts for the years ending 31 March 2019 and 2020 and are confident that the group will have sufficient cash to meet its debts as they fall due for the foreseeable future and hence they have concluded that it remains appropriate to prepare the accounts on a going concern basis.

On behalf of the board



Mr E W Francis

Director

Date: 13th May 2018

GUARDIAN HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

GUARDIAN HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GUARDIAN HOLDINGS LIMITED

Opinion

We have audited the financial statements of Guardian Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows 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 FRS 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 the parent company's affairs as at 31 March 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

GUARDIAN HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GUARDIAN HOLDINGS LIMITED

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 strategic report and the directors' report.

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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the 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.

UHY Hacker Young

Mr John Griffiths (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

12/7/2018

Chartered Accountants
Statutory Auditor

Newport
South Wales
United Kingdom

GUARDIAN HOLDINGS LIMITED**GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2018**

		2018	2017
	Notes	£	£
Turnover	3	5,278,905	3,470,604
Cost of sales		(1,405,484)	(1,722,469)
Gross profit		<u>3,873,421</u>	<u>1,748,135</u>
Administrative expenses		(4,221,201)	(3,739,374)
Other operating income		<u>122,810</u>	<u>21,538</u>
Operating loss	5	(224,970)	(1,969,701)
Interest payable and similar expenses	8	<u>(647,413)</u>	<u>(644,358)</u>
Loss before taxation		(872,383)	(2,614,059)
Tax on loss	9	<u>92,259</u>	<u>270,675</u>
Loss for the financial year		<u><u>(780,124)</u></u>	<u><u>(2,343,384)</u></u>

Loss for the financial year is all attributable to the owners of the parent company.

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

GUARDIAN HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2018

		2018		2017 as restated	
	Notes	£	£	£	£
Fixed assets					
Goodwill	10		-	659,906	
Other intangible assets	10		42,276	25,004	
Total intangible assets			42,276	684,910	
Tangible assets	11		331,450	420,033	
			373,726	1,104,943	
Current assets					
Stocks	15	1,634,065		1,292,101	
Debtors	16	1,146,478		636,990	
Cash at bank and in hand		363,152		285,061	
			3,143,695	2,214,152	
Creditors: amounts falling due within one year	17	(868,540)		(703,069)	
Net current assets			2,275,155	1,511,083	
Total assets less current liabilities			2,648,881	2,616,026	
Creditors: amounts falling due after more than one year	18	(12,311,636)		(11,380,640)	
Deferred income			(124,425)	(246,233)	
Net liabilities			(9,787,180)	(9,010,847)	
Capital and reserves					
Called up share capital	22	29,641		25,850	
Share premium account		325,152		325,152	
Other reserves		3,063,630		3,063,630	
Profit and loss reserves		(13,205,603)		(12,425,479)	
Total equity			(9,787,180)	(9,010,847)	

The financial statements were approved by the board of directors and authorised for issue on 13th July 2018 and are signed on its behalf by:



Mr E W Francis
Director

GUARDIAN HOLDINGS LIMITED**GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018**

	2018	2017
	£	£
Loss for the year	(780,124)	(2,343,384)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(780,124)</u>	<u>(2,343,384)</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

GUARDIAN HOLDINGS LIMITED

**COMPANY BALANCE SHEET
AS AT 31 MARCH 2018**

		2018		2017 as restated	
	Notes	£	£	£	£
Fixed assets					
Investments	12		7,106,710		6,718,524
Current assets					
Debtors	16	1		252	
Cash at bank and in hand		404		1,207	
		<u>405</u>		<u>1,459</u>	
Net current assets			405		1,459
Total assets less current liabilities			<u>7,107,115</u>		<u>6,719,983</u>
Creditors: amounts falling due after more than one year	18		(12,163,059)		(11,145,059)
Net liabilities			<u>(5,055,944)</u>		<u>(4,425,076)</u>
Capital and reserves					
Called up share capital	22		29,641		25,850
Share premium account			325,152		325,152
Profit and loss reserves			(5,410,737)		(4,776,078)
Total equity			<u>(5,055,944)</u>		<u>(4,425,076)</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £634,659 (2017 - £188,553 loss).

The financial statements were approved by the board of directors and authorised for issue on 13th July and are signed on its behalf by: 2018



Mr E W Francis
Director

Company Registration No. 06518981

GUARDIAN HOLDINGS LIMITED

**GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

		Share capital	Share premium account	Other reserves	Profit and loss reserves	Total
	Notes	£	£	£	£	£
Balance at 1 April 2016 as previously stated		30,400	325,152	3,063,630	(10,086,645)	(6,667,463)
Effect of prior year adjustment	23	(4,550)	-	-	4,550	-
Balance at 1 April 2016		<u>25,850</u>	<u>325,152</u>	<u>3,063,630</u>	<u>(10,082,095)</u>	<u>(6,667,463)</u>
Year ended 31 March 2017:						
Loss and total comprehensive income for the year		-	-	-	(2,343,384)	(2,343,384)
Balance at 31 March 2017		<u>25,850</u>	<u>325,152</u>	<u>3,063,630</u>	<u>(12,425,479)</u>	<u>(9,010,847)</u>
Year ended 31 March 2018:						
Loss and total comprehensive income for the year		-	-	-	(780,124)	(780,124)
Issue of share capital	22	3,791	-	-	-	3,791
Balance at 31 March 2018		<u>29,641</u>	<u>325,152</u>	<u>3,063,630</u>	<u>(13,205,603)</u>	<u>(9,787,180)</u>

GUARDIAN HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

		Share capital	Share premium account	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 April 2016 as previously stated		30,400	325,152	(4,178,048)	(3,822,496)
Effect of prior year adjustment	23	(4,550)	-	4,550	-
Balance at 1 April 2016		25,850	325,152	(4,173,498)	(3,822,496)
Year ended 31 March 2017:					
Loss and total comprehensive income for the year		-	-	(188,553)	(188,553)
Other movements		-	-	(414,027)	(414,027)
Balance at 31 March 2017		25,850	325,152	(4,776,078)	(4,425,076)
Year ended 31 March 2018:					
Loss and total comprehensive income for the year		-	-	(634,659)	(634,659)
Issue of share capital	22	3,791	-	-	3,791
Balance at 31 March 2018		29,641	325,152	(5,410,737)	(5,055,944)

GUARDIAN HOLDINGS LIMITED

**GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash absorbed by operations	27	(265,101)		(295,306)	
Interest paid		(29,413)		(45,858)	
Income taxes refunded		270,674		350,815	
Net cash (outflow)/inflow from operating activities		(23,840)		9,651	
Investing activities					
Purchase of intangible assets		(28,271)		(15,911)	
Purchase of tangible fixed assets		(48,314)		(40,425)	
Proceeds on disposal of tangible fixed assets		33,500		-	
Net cash used in investing activities		(43,085)		(56,336)	
Financing activities					
Proceeds from issue of shares		3,791		-	
Proceeds from borrowings		400,000		-	
Repayment of borrowings		(124,954)		(178,376)	
Payment of finance leases obligations		(133,821)		(30,364)	
Net cash generated from/(used in) financing activities		145,016		(208,740)	
Net increase/(decrease) in cash and cash equivalents		78,091		(255,425)	
Cash and cash equivalents at beginning of year		285,061		540,486	
Cash and cash equivalents at end of year		363,152		285,061	

GUARDIAN HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

1 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Going Concern

The directors assessment of going concern is set out in the Strategic Report and in note 2.3 below.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Impairment of Fixed asset Investment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there was objective evidence of impairment, an impairment loss would be recognised in the profit or loss of the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

The carrying value of the fixed asset investments at the balance sheet date was £7,106,710 (2017: £6,718,524) after the company made a capital contribution of £388,186 (2017: £2,615,000) to its subsidiary guardian Global Technologies Limited). The directors have concluded that the carrying value is not impaired.

Stock valuation

Stocks are valued at the lower cost and net realisable value. The carrying value of stock at the year end is £1,623,126 (2017: £1,292,101). Net realisable value includes, where necessary, provisions for slow moving and obsolete stocks. Calculation of these provisions requires judgements to be made, which include forecast consumer demand, the promotional, competitive and economic environment and inventory loss trends.

GUARDIAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2 Accounting policies

Company information

Guardian Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Merlin House, Brunel Court, Village Farm Industrial Estate, Pyle, Bridgend, United Kingdom, CF33 6BL.

The group consists of Guardian Holdings Limited and all of its subsidiaries.

2.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being the parent of a group which prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £634,659 (2017 - £188,553 loss).

2.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries are accounted for at cost less impairment.

GUARDIAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

2 Accounting policies

(Continued)

The consolidated financial statements incorporate those of Guardian Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 March 2018. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2.3 Going concern

The group has sustained significant losses in the last couple of years due to poor market conditions in the group's core sectors in the Oil and Gas industry resulting in the group's sales being depressed and the group having to incur restructuring costs. Revenue fell by 46% in 2016 compared to the year to 31 March 2015; and fell by a further 10% in 2017 compared to the year ended 31 March 2016. However revenue increased 52% in 2018 compared to the year to 31 March 2017. The group suffered a loss for the year of £0.8m (2017: £2.3m). This includes rolled up interest costs of £0.6m (2017: £0.6m) and non-cash costs of depreciation and amortisation of £0.9m (2017: £1.0m), excluding these costs the group made a profit of £0.7m (2017: loss of £0.7m).

The group had net liabilities of £9.8m (2017: £9.0m) however this includes loan notes and rolled up interest of £12.2m (2017: £11.2m) that is not expected to be paid in the foreseeable future.

The group had net current assets of £2.3m at 31 March 2018 (2017: £1.5m) including cash of £363,152 (2017: £285,061). The directors have prepared forecasts for the years ending 31 March 2019 and 2020 and are confident that the group will have sufficient cash to meet its debts as they fall due for the foreseeable future and hence they have concluded that it remains appropriate to prepare the accounts on a going concern basis.

2.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years. The directors regard 10 years as a reasonable maximum for the estimated useful life of goodwill since it is difficult to make projections exceeding this period.

2.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost or value of the asset can be measured reliably.

GUARDIAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

2 Accounting policies

(Continued)

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Patents & licences	Straight line over 5 years
--------------------	----------------------------

2.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	Straight line over 5 years
Fixtures and fittings	Straight line over 5 years or 7 years
Computer equipment	Straight line over 3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

2.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

2.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

GUARDIAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

2 Accounting policies

(Continued)

2.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

2.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

GUARDIAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

2 Accounting policies

(Continued)

2.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2.17 Research and development

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

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2018 £	2017 £
Turnover analysed by class of business		
Sale of equipment	5,278,905	3,470,604
	<u> </u>	<u> </u>
	2018 £	2017 £
Other significant revenue		
Grants received	121,808	21,538
	<u> </u>	<u> </u>

GUARDIAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

3 Turnover and other revenue	(Continued)	
	2018 £	2017 £
Turnover analysed by geographical market		
Europe	1,776,208	810,226
Rest of the World	3,502,697	2,660,378
	<u>5,278,905</u>	<u>3,470,604</u>
4 Auditor's remuneration	2018 £	2017 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	2,000	2,000
Audit of the financial statements of the company's subsidiaries	11,000	10,000
	<u>13,000</u>	<u>12,000</u>
The auditors are remunerated by Guardian Global Technologies Limited for their services to the group as a whole.		
5 Operating loss	2018 £	2017 £
Operating loss for the year is stated after charging/(crediting):		
Exchange losses	111,842	11,415
Research and development costs (excluding salary costs)	76,265	72,199
Government grants	(121,808)	(21,538)
Depreciation of owned tangible fixed assets	145,184	195,396
Depreciation of tangible fixed assets held under finance leases	94,748	130,066
Profit on disposal of tangible fixed assets	(25,166)	-
Amortisation of intangible assets	670,905	665,767
Cost of stocks recognised as an expense	480,121	923,193

GUARDIAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group		Company	
	2018	2017	2018	2017
	Number	Number	Number	Number
Directors	4	4	-	-
Sales	2	3	-	-
Administration	8	8	-	-
Research and development	13	14	-	-
Production	33	28	-	-
	<u>60</u>	<u>57</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Wages and salaries	2,579,554	2,277,196	-	-
Social security costs	216,213	198,062	-	-
Pension costs	67,303	59,849	-	-
	<u>2,863,070</u>	<u>2,535,107</u>	<u>-</u>	<u>-</u>

7 Directors' remuneration

	2018	2017
	£	£
Remuneration for qualifying services	298,140	206,476
Company pension contributions to defined contribution schemes	4,627	2,219
	<u>302,767</u>	<u>208,695</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2018	2017
	£	£
Remuneration for qualifying services	<u>149,187</u>	<u>124,667</u>

GUARDIAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

8 Interest payable and similar expenses

	2018	2017
	£	£
Interest on finance leases and hire purchase contracts	18,678	24,365
Other interest on financial liabilities	628,735	619,993
	<u>647,413</u>	<u>644,358</u>

9 Taxation

	2018	2017
	£	£
Current tax		
UK corporation tax on profits for the current period	(92,259)	(270,675)
	<u>(92,259)</u>	<u>(270,675)</u>

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2018	2017
	£	£
Loss before taxation	(872,383)	(2,614,059)
	<u>(872,383)</u>	<u>(2,614,059)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	(165,753)	(522,812)
Tax effect of expenses that are not deductible in determining taxable profit	264,970	275,479
Tax effect of income not taxable in determining taxable profit	(15,263)	(82,805)
Tax effect of utilisation of tax losses not previously recognised	(90,951)	-
Unutilised tax losses carried forward	-	330,138
Depreciation on assets not qualifying for tax allowances	6,997	-
Research and development tax credit	(92,259)	(270,675)
	<u>(92,259)</u>	<u>(270,675)</u>
Taxation credit for the year	(92,259)	(270,675)

The group has £1,011,382 of tax losses carried forward. No deferred tax asset has been recognised because there is insufficient certainty regarding its reversal.

GUARDIAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

10 Intangible fixed assets

Group	Goodwill	Patents & licences	Total
	£	£	£
Cost			
At 1 April 2017	6,599,076	40,090	6,639,166
Additions - separately acquired	-	28,271	28,271
At 31 March 2018	6,599,076	68,361	6,667,437
Amortisation and impairment			
At 1 April 2017	5,939,170	15,086	5,954,256
Amortisation charged for the year	659,906	10,999	670,905
At 31 March 2018	6,599,076	26,085	6,625,161
Carrying amount			
At 31 March 2018	-	42,276	42,276
At 31 March 2017	659,906	25,004	684,910

The company had no intangible fixed assets at 31 March 2018 or 31 March 2017.

11 Tangible fixed assets

Group	Plant and machinery	Fixtures and fittings	Computer equipment	Total
	£	£	£	£
Cost				
At 1 April 2017	1,232,878	805,379	318,437	2,356,694
Additions	153,493	3,991	2,199	159,683
Disposals	(205,350)	(55,991)	(64,324)	(325,665)
At 31 March 2018	1,181,021	753,379	256,312	2,190,712
Depreciation and impairment				
At 1 April 2017	971,350	687,601	277,710	1,936,661
Depreciation charged in the year	141,973	72,541	25,418	239,932
Eliminated in respect of disposals	(197,016)	(55,991)	(64,324)	(317,331)
At 31 March 2018	916,307	704,151	238,804	1,859,262
Carrying amount				
At 31 March 2018	264,714	49,228	17,508	331,450
At 31 March 2017	261,528	117,778	40,727	420,033

The company had no tangible fixed assets at 31 March 2018 or 31 March 2017.

GUARDIAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

11 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Plant and machinery	175,995	177,951	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation charge for the year in respect of leased assets	94,748	130,066	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

12 Fixed asset investments

		Group		Company	
		2018	2017	2018	2017
		£	£	£	£
Investments in subsidiaries	13	-	-	7,106,710	6,718,524
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

Movements in fixed asset investments

Company	Shares in group undertakings
	£
Cost or valuation	
At 1 April 2017	6,718,524
Capital contribution	388,186
	<u> </u>
At 31 March 2018	7,106,710
	<u> </u>
Carrying amount	
At 31 March 2018	7,106,710
	<u> </u>
At 31 March 2017	6,718,524
	<u> </u>

The company has waived a loan of £388,186 to its subsidiary Guardian Global Technologies Limited during the year, this has been treated as a capital contribution.

GUARDIAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

13 Subsidiaries

Principal group investments

The parent company and the group have investments in the following subsidiary undertakings, associates and other investments which principally affect the profits or net assets of the group. To avoid a statement of excessive length, details of investments which are not significant have been omitted.

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

Name of undertaking	Nature of business	Class of shares held	% Held	
			Direct	Indirect
Guardian Global Technologies Limited	Design and manufacture of oil and gas equipment	Ordinary		100.00
Guardian Global Technology Group Limited	Holding company	Ordinary	100.00	

The registered office for both of the above subsidiaries is Merlin House Brunel Court, Village Farm Industrial Estate, Pyle, Bridgend, CF33 6BL.

Guardian Global Technologies Limited is a subsidiary of Guardian Global Technology Group Limited.

14 Financial instruments

	Group 2018 £	2017 £	Company 2018 £	2017 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	987,760	341,995	n/a	n/a
Carrying amount of financial liabilities				
Measured at amortised cost	13,113,978	12,026,788	n/a	n/a

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

15 Stocks

	Group 2018 £	2017 £	Company 2018 £	2017 £
Work in progress	92,544	57,755	-	-
Finished goods and goods for resale	1,541,521	1,234,346	-	-
	1,634,065	1,292,101	-	-

GUARDIAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

16 Debtors

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	982,698	330,219	-	-
Corporation tax recoverable	92,294	270,709	-	-
Amounts owed by group undertakings	-	-	-	252
Other debtors	36,978	14,564	1	-
Prepayments and accrued income	34,508	21,498	-	-
	<u>1,146,478</u>	<u>636,990</u>	<u>1</u>	<u>252</u>

17 Creditors: amounts falling due within one year

		Group		Company	
		2018	2017	2018	2017
	Notes	£	£	£	£
Obligations under finance leases	19	91,376	103,325	-	-
Other borrowings	20	76,501	124,954	-	-
Trade creditors		376,791	180,092	-	-
Other taxation and social security		66,198	56,921	-	-
Other creditors		35,870	28,264	-	-
Accruals and deferred income		221,804	209,513	-	-
		<u>868,540</u>	<u>703,069</u>	<u>-</u>	<u>-</u>

18 Creditors: amounts falling due after more than one year

		Group		Company	
		2018	2017	2018	2017
	Notes	£	£	£	£
Obligations under finance leases	19	148,577	159,080	-	-
Other borrowings	20	12,163,059	11,221,560	12,163,059	11,145,059
		<u>12,311,636</u>	<u>11,380,640</u>	<u>12,163,059</u>	<u>11,145,059</u>

GUARDIAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

19 Finance lease obligations

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Future minimum lease payments due under finance leases:				
Within one year	91,376	103,325	-	-
In two to five years	148,577	159,080	-	-
	<u>239,953</u>	<u>262,405</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Hire purchase liabilities are secured on the assets to which they relate.

20 Loans and overdrafts

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Other loans	<u>12,239,560</u>	<u>11,346,514</u>	<u>12,163,059</u>	<u>11,145,059</u>
Payable within one year	76,501	124,954	-	-
Payable after one year	<u>12,163,059</u>	<u>11,221,560</u>	<u>12,163,059</u>	<u>11,145,059</u>

Other loans comprise loan notes of £12,163,059 (2017: £11,145,059) and other loans of £76,501 (2017: £201,455).

The loan notes are unsecured and the capital is repayable in full in 2020. The loan notes bear interest at 9% per annum on the principal amount.

The loan notes balance is made up of a principal of £7,050,000 (2017: £6,650,000) and rolled up interest of £5,113,059 (2017: £4,495,059).

Other loans are secured by fixed charges over the assets of the group.

21 Retirement benefit schemes

	2018	2017
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>67,303</u>	<u>59,849</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

GUARDIAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

22 Share capital

	Group and company	
	2018	2017
		as restated
	£	£
Ordinary share capital		
Issued and fully paid		
65,736 Ordinary of 10p each	6,574	5,552
202,980 Ordinary A of 10p each	20,298	20,298
12,491 Ordinary B of 10p each	1,249	-
15,200 Ordinary C of 10p each	1,520	-
	<u>29,641</u>	<u>25,850</u>

During the year the company issued 10,216 ordinary shares of 10p, 12,491 ordinary B shares of 10p and 15,200 ordinary C shares of 10p each. All shares were issued at par and fully paid.

Reconciliation of movements during the year:

	Ordinary Number	Ordinary A Number	Ordinary B Number	Ordinary C Number
At 1 April 2017	55,520	202,980	-	-
Issue of fully paid shares	10,216	-	12,491	15,200
At 31 March 2018	<u>65,736</u>	<u>202,980</u>	<u>12,491</u>	<u>15,200</u>

23 Prior Year Adjustment

The prior year financial statements disclosed management options of 45,500 10p shares which had not been allotted, therefore the prior year share capital and reserves have been restated to show the correct position. There was no impact on net assets.

10,216 ordinary shares of 10p, 12,491 ordinary B shares of 10p and 15,200 ordinary C shares of 10p each were issued to management in the year, refer to note 22.

24 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2018	2017	Company 2018	2017
	£	£	£	£
Within one year	252,976	253,764	-	-
Between two and five years	630,800	818,200	-	-
In over five years	64,000	128,000	-	-
	<u>947,776</u>	<u>1,199,964</u>	<u>-</u>	<u>-</u>

GUARDIAN HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 MARCH 2018**25 Related party transactions****Remuneration of key management personnel**

The remuneration of key management personnel is as follows.

	2018 £	2017 £
Aggregate compensation	521,907	401,153

During the year the group incurred £198,224 (2017: £144,000) of rental costs from APC International Limited, a company of which Iain Maxted is a director and shareholder.

During the year the group incurred £64,000 (2017: £64,000) of rental costs from MLSS Ltd SIPP, a company which Iain Maxted owns.

During the year the group incurred £14,375 (2017: £69,875) of management charges from EPI-V LLP, the ultimate controlling party during the prior year. At the year end there was an accrual for £nil (2017: £14,375) for unpaid management charges.

26 Controlling party

The company is not considered to have a single controlling party.

27 Cash generated from group operations

	2018 £	2017 £
Loss for the year after tax	(780,124)	(2,343,384)
Adjustments for:		
Taxation credited	(92,259)	(270,675)
Finance costs	647,413	644,358
Gain on disposal of tangible fixed assets	(25,166)	-
Amortisation and impairment of intangible assets	670,905	665,767
Depreciation and impairment of tangible fixed assets	239,932	325,462
(Decrease) in deferred income	(121,808)	(21,539)
Movements in working capital:		
(Increase)/decrease in stocks	(341,964)	426,613
(Increase)/decrease in debtors	(687,903)	166,604
Increase in creditors	225,873	111,488
Cash absorbed by operations	(265,101)	(295,306)