

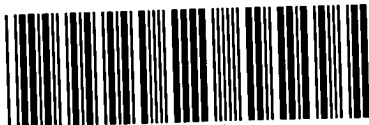
Company Registration No. 09826773 (England and Wales)

**BLIGHTER SURVEILLANCE SYSTEMS LIMITED**

**UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2022**

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# BLIGHTER SURVEILLANCE SYSTEMS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2022

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The directors present their annual report and financial statements for the year ended 31 March 2022.

#### Principal activities

The principal activity of the company is the design, production and sale of electronic-scanning ('e-scan') radar and related services used by end customers to protect valuable and critical assets across a range of markets including military and defence, border protection, critical national infrastructure, airports, oil and gas. The e-scan radars are key sensors for ground-based surveillance and counter-drone applications across the domains of land, sea and air.

#### Review of the year

The effects of the COVID-19 pandemic continued to be felt during the year with delays to orders and challenges in the supply chain. The lifting of international travel restrictions has enabled access to customer premises for acceptance tests, product demonstrations and contract negotiations. The Company has been able to resume close customer contact through attendance at international industry events. As a consequence, order intake has strengthened since the start of 2022 and Blighter has finished the year with a strong order book and pipeline.

Throughout the financial year, the Company has continued to invest in development of "next-generation" radars, further building on software and hardware improvements in our current product suite and taking our new A800-3D radar to market.

#### Directors

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

C P Bannar	(Resigned 18 May 2022)
G A Hone	(Resigned 18 May 2022)
M Radford	
T A Sambrook	(Resigned 18 May 2022)
T K Todd	(Resigned 18 May 2022)
T Jackson	(Appointed 18 May 2022)
I A Murphy	(Appointed 18 May 2022)
Dr C R Smithers	(Appointed 18 May 2022)
J A Long	(Appointed 19 May 2022)

#### Future developments

In May 2022, Blighter appointed a new CEO, James Long, previously the Company's Chief Operating Officer. James's remit is to continue to grow the company's commercial footprint while upholding its reputation for operational excellence.

The global outlook for Blighter products and services continues to be strong. Opportunities in Europe have seen particularly strong growth and conversion of orders around the year end mean that Blighter is anticipating a return to pre-pandemic levels of trading over the next year.

#### Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

*CRSmithers*

.....  
Dr C R Smithers  
Director

Date: 21/07/22  
.....

# **BLIGHTER SURVEILLANCE SYSTEMS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2022**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**BLIGHTER SURVEILLANCE SYSTEMS LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2022**

	Notes	2022		2021 as restated	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	7		1,052,052		813,630
Tangible assets	8		227,691		154,329
Investments	9		8		8
			<u>1,279,751</u>		<u>967,967</u>
<b>Current assets</b>					
Stocks		1,244,770		978,570	
Debtors	10	1,999,184		1,293,851	
Cash at bank and in hand		319,139		1,824,412	
		<u>3,563,093</u>		<u>4,096,833</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(5,404,722)</u>		<u>(3,207,637)</u>	
<b>Net current (liabilities)/assets</b>			<u>(1,841,629)</u>		<u>889,196</u>
<b>Total assets less current liabilities</b>			<u>(561,878)</u>		<u>1,857,163</u>
<b>Creditors: amounts falling due after more than one year</b>	12		(791,812)		(1,268,678)
<b>Provisions for liabilities</b>	14		<u>(13,796)</u>		<u>(131,710)</u>
<b>Net (liabilities)/assets</b>			<u><u>(1,367,486)</u></u>		<u><u>456,775</u></u>
<b>Capital and reserves</b>					
Called up share capital	16		3,866		3,877
Share premium account	17		388,280		388,220
Equity reserve	17		12,463		-
Profit and loss reserves	17		<u>(1,772,095)</u>		<u>64,678</u>
<b>Total equity</b>			<u><u>(1,367,486)</u></u>		<u><u>456,775</u></u>

**BLIGHTER SURVEILLANCE SYSTEMS LIMITED**

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**

**AS AT 31 MARCH 2022**

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The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 March 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on <sup>21/07/22</sup>..... and are signed on its behalf by:

*CRSmithers*

.....  
Dr C R Smithers  
Director

# BLIGHTER SURVEILLANCE SYSTEMS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Share capital £	Share premium account £	Equity reserve £	Profit and loss reserves £	Total £
<b>As restated for the period ended 31 March 2021:</b>						
Balance at 1 April 2020		3,853	388,220	-	105,947	498,020
Effect of change in accounting policy		-	-	-	324,049	324,049
<b>As restated</b>		<b>3,853</b>	<b>388,220</b>	<b>-</b>	<b>429,996</b>	<b>822,069</b>
<b>Year ended 31 March 2021:</b>						
Loss and total comprehensive income for the year		-	-	-	(458,151)	(458,151)
Issue of share capital	16	24	-	-	-	24
Credit to equity for equity settled share-based payments	5	-	-	-	92,833	92,833
<b>Balance at 31 March 2021</b>		<b>3,877</b>	<b>388,220</b>	<b>-</b>	<b>64,678</b>	<b>456,775</b>
<b>Year ended 31 March 2022:</b>						
Loss and total comprehensive income for the year		-	-	-	(1,873,097)	(1,873,097)
Issue of share capital	16	11	60	-	-	71
Equity element of loan		-	-	12,463	-	12,463
Credit to equity for equity settled share-based payments	5	-	-	-	36,324	36,324
Purchase of own shares		(22)	-	-	-	(22)
<b>Balance at 31 March 2022</b>		<b>3,866</b>	<b>388,280</b>	<b>12,463</b>	<b>(1,772,095)</b>	<b>(1,367,486)</b>

# BLIGHTER SURVEILLANCE SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

#### Company information

Blighter Surveillance Systems Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Icen House, London Road, Great Chesterford, Saffron Walden, England, CB10 1NY.

#### 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

#### Going concern

The company has net liabilities of £1,367,486 (2021: net assets of £456,775 restated).

The company prepares cashflow forecasts which are updated and reviewed monthly. In order to assess going concern prior to year-end, the company produced a number of viable forecasts allowing for different scenarios. The scenarios assessed the impact of reduced revenues from slow order flow due to the prolonged impact of Covid-19 restrictions in the year. As part of the forecast process, the Directors took steps to align the cost base to expected revenues. The forecast assumes repayment of debt in line with loan agreements.

The company secured significant committed contractual orders between March 2022 and May 2022 for delivery through the year ending 31 March 2023. This order backlog, alongside a strong sales order pipeline, underpin confidence in the market returning to pre-pandemic conditions.

On the basis of known and highly probable cash inflows and the steps the company has taken to align costs to revenues, the directors consider it appropriate to prepare the accounts on a going concern basis.

# BLIGHTER SURVEILLANCE SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies (Continued)

#### 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.

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.

Revenue from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably.

#### Research and development expenditure

Research expenditure is written off to profit or loss in the year in which it is incurred. The company capitalises development expenditure as an intangible asset when it is able to demonstrate all of the following:

- The technical feasibility of completing the development so the intangible asset will be available for use or sale.
- Its intention to complete the development and to use or sell the intangible asset.
- Its ability to use or sell the intangible asset.
- 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.
- Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Furthermore, as the development costs capitalised under this policy are expected to produce future economic benefits the amortisation of such costs will be treated as a realised loss in accordance with section 844 of Companies Act 2006 rather than the initial expenditure. Capitalised development costs are not subject to amortisation until the new development is available for use or sale within the company's product suite.

#### 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.

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

Development costs	10 years straight line
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#### Tangible fixed assets

Tangible fixed assets are included at cost, net of depreciation and any impairment losses.

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

Leasehold improvements	5 years straight line
Fixtures and fittings	5 years straight line
Motor vehicles	3 years straight line
Computers and electronic equipment	3 to 5 years straight line

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 credited or charged to profit or loss.

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# BLIGHTER SURVEILLANCE SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies (Continued)

#### **Fixed asset investments**

Interests in subsidiaries are included at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

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.

#### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

#### **Financial instruments**

The company 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 when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

#### **Basic financial assets**

Basic financial assets, which include trade and other debtors, amounts owed by related parties and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, other loans and loans from related parties, are initially recognised at transaction price and are subsequently carried at amortised cost, using the effective interest rate method.

Transactions costs incurred on basic financial liabilities are initially capitalised and are subsequently carried at amortised cost, using the effective interest rate method.

#### **Other financial liabilities**

Other financial liabilities are recognised at fair value using an appropriate valuation technique and any gains or losses are recognised in profit or loss.

# BLIGHTER SURVEILLANCE SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies (Continued)

##### Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs.

##### Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

##### Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

##### 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.

##### Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

##### Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

# BLIGHTER SURVEILLANCE SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies (Continued)

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

#### Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

### 2 Prior period adjustment

In previous years, development expenditure was recognised as an expense in the period in which it was incurred. In the current year, the company has changed the accounting policy for development costs to capitalise those which meet the criteria in FRS102. This change has been made to better reflect the Company's internal information and the project nature of development work undertaken.

The impact of this change is that in the year ended 31 March 2021, £413,569 of development expenditure previously recognised as an expense has been capitalised as an intangible asset. In the year ended 31 March 2020, £400,061 of development expenditure previously recognised as an expense has been capitalised as an intangible asset, requiring an adjustment of this amount to retained earnings brought forward at 1 April 2020.

As a result of this adjustment to development costs previously recognised as an expense, a deferred tax liability at 31 March 2021 amounting to £154,590 has also been recognised as a prior year adjustment. Of this amount, £78,578 relates to the year ended 31 March 2021. The amount of £76,012 relating to the year ended 31 March 2020 has been recognised as an adjustment in retained earnings brought forward at 1 April 2020. The total adjustment to the prior year is therefore £659,040.

# BLIGHTER SURVEILLANCE SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 3 Employees

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

	2022 Number	2021 Number
Total	46	42

### 4 Directors' remuneration

	2022 £	2021 £
Remuneration paid to directors	530,160	456,501

### 5 Share-based payment transactions

The Company has issued equity settled share based payments to both employees and non-employees, including 75,000 issued in the year ended 31 March 2022 (2021: Nil). Equity settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value at the grant date of the equity settled share based payment is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest.

The weighted average fair value of options granted in the year was determined using the Black-Scholes option pricing model. The Black-Scholes model is considered to apply the most appropriate valuation method due to the relatively short contractual lives of the options and the requirement to exercise within a short period after the employee becomes entitled to the shares (the "vesting date"). The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations.

Non-vesting conditions and market conditions are taken into account when estimating the fair value of the option at grant date. Service conditions and non-market performance conditions are taken into account by adjusting the number of options expected to vest at each reporting date.

	Number of share options		Weighted average exercise price	
	2022 Number	2021 Number	2022	2021
Outstanding at 1 April 2021	10,668,383	11,276,977	0.54p	0.51p
Granted	75,000	-	1.50p	-
Exercised	(113,781)	(232,481)	0.06p	0.01p
Expired	(326,937)	(376,113)	1.28p	0.11p
Outstanding at 31 March 2022	10,302,665	10,668,383	0.52p	0.54p
Exercisable at 31 March 2022	9,058,472	7,439,887	0.39p	0.30p

The options outstanding at 31 March 2022 had an exercise price ranging from 0.01p to 17p, and a remaining contractual life of 2 years.

# BLIGHTER SURVEILLANCE SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 5 Share-based payment transactions (Continued)

#### Liabilities and expenses

During the year, the company recognised total share-based payment expenses of £36,324 (2021: £92,833) which related to equity settled share based payment transactions.

During the year ended 31 March 2020, the company issued 956,364 warrants, bringing the total share warrants issued at the previous and current year-end to 2,880,434. These all remain unvested at the year end (2021: all unvested).

### 6 Taxation

	2022 £	2021 £
		As restated
<b>Current tax</b>		
UK corporation tax on profits for the current period	(365,771)	(291,364)
Adjustments in respect of prior periods	-	(29,316)
	<u>(365,771)</u>	<u>(320,680)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(128,417)	49,469
Changes in tax rates	30,820	-
Adjustment in respect of prior periods	-	(346)
	<u>(97,597)</u>	<u>49,123</u>
<b>Total tax credit</b>	<u>(463,368)</u>	<u>(271,557)</u>

### 7 Intangible fixed assets

	Development costs £
	As restated
<b>Cost</b>	
At 1 April 2021	813,630
Additions - internally developed	238,422
	<u>1,052,052</u>
At 31 March 2022	1,052,052
<b>Carrying amount</b>	
At 31 March 2022	1,052,052
	<u>1,052,052</u>
At 31 March 2021	813,630
	<u>813,630</u>

# BLIGHTER SURVEILLANCE SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 8 Tangible fixed assets

	Leasehold improvements	Furniture, fittings & equipment	Computers and electronic equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2021	8,560	55,477	376,536	440,573
Additions	-	-	147,312	147,312
At 31 March 2022	<u>8,560</u>	<u>55,477</u>	<u>523,848</u>	<u>587,885</u>
<b>Depreciation and impairment</b>				
At 1 April 2021	2,779	21,828	261,637	286,244
Depreciation charged in the year	1,885	11,926	60,139	73,950
At 31 March 2022	<u>4,664</u>	<u>33,754</u>	<u>321,776</u>	<u>360,194</u>
<b>Carrying amount</b>				
At 31 March 2022	<u>3,896</u>	<u>21,723</u>	<u>202,072</u>	<u>227,691</u>
At 31 March 2021	<u>5,781</u>	<u>33,649</u>	<u>114,899</u>	<u>154,329</u>

# BLIGHTER SURVEILLANCE SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 9 Fixed asset investments

	2022	2021
	£	£
Other investments other than loans	8	8

The value of fixed asset investments relates to 100% of the share capital of Icen Defense Inc. The principal activity of Icen Defense Inc is to provide electronic-scanning radar and sensors across a range of markets. The company did not trade through the period and remains dormant at the balance sheet date.

#### Movements in fixed asset investments

	Investments other than loans £
<b>Cost or valuation</b> At 1 April 2021 & 31 March 2022	8
<b>Carrying amount</b> At 31 March 2022	8
At 31 March 2021	8

### 10 Debtors

	2022	2021
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	1,414,551	842,051
Corporation tax recoverable	365,771	291,364
Other debtors	218,862	160,436
	<u>1,999,184</u>	<u>1,293,851</u>

# BLIGHTER SURVEILLANCE SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 11 Creditors: amounts falling due within one year

		2022 £	2021 £
Obligations under finance leases		29,482	-
Other borrowings	13	981,669	565,752
Trade creditors		842,286	419,676
Taxation and social security		267,538	157,521
Deferred income		2,297,909	1,694,341
Other creditors		602,946	16,039
Accruals and deferred income		382,892	354,308
		<u>5,404,722</u>	<u>3,207,637</u>

Obligations under hire purchase contracts are secured on the underlying assets.

#### 12 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Other borrowings	13	<u>791,812</u>	<u>1,268,678</u>

#### 13 Borrowings

	2022 £	2021 £
Loans from related parties	1,305,481	198,000
Loans from third parties	468,000	1,636,430
	<u>1,773,481</u>	<u>1,834,430</u>
Payable within one year	981,669	565,752
Payable after one year	<u>791,812</u>	<u>1,268,678</u>

The loans from third parties are secured by a fixed and floating charge over the assets of the Company.

# BLIGHTER SURVEILLANCE SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 13 Borrowings (Continued)

In August 2019, the Company entered into a loan through a fund manager, BOOST&Co Limited, via the lender IL2 (2018) S.A.R.L for £2,000,000. The loan is included net of transaction costs of £125,338 (2021: £33,600). This loan has an interest only period spanning 12 months from the date of drawdown and is repayable by 1 July 2024. Interest is charged at 10.25% per annum. Interest charged to the profit and loss during the year was £147,113 (2021: £211,157), including £14,400 of amortisation (2021: £14,400) of capitalised transaction costs. During the year a repayment holiday was agreed between January and May 2022, incurring an additional cost of £91,738 which has been added to the capital balance.

The 956,634 warrants issued in 2019 alongside the loan were amended during the repayment holiday and as such they are now deemed to be an equity instrument (2021: deemed to be a financial liability measured at fair value through profit or loss). An amount of £12,463 has been recognised in equity in respect of these warrants (2021: liability deemed to be immaterial). Please see note 5 (share options and warrants).

Loans from related parties relate to a loan due to Plextek Services Limited. This loan is repayable by 31 December 2022. Interest is payable at 3% per annum above the Bank of England base rate, increasing by 3% per annum throughout the life of the loan, meaning interest payable for the year starting 1 January 2022 is charged at 12% above the Bank of England base rate. Interest charged to the profit and loss during the year was £19,174, (2021: £17,665) of which £14,909 remains unpaid (2021: nil). In March 2022 an additional £300,000 was received from Plextek Services Limited under the same terms of the original loan. The total unpaid capital balance at 31 March 2022 is £468,000 (2021: £198,000) all of which is due by 31 December 2022.

#### 14 Provisions for liabilities

	2022 £	2021 £ As restated
Warranty provision	13,796	34,113
Deferred tax liabilities	-	97,597
	<u>13,796</u>	<u>131,710</u>

Movements on provisions apart from deferred tax liabilities:

	Warranty provision £
At 1 April 2021	34,113
Additional provisions in the year	2,441
Provisions released to profit or loss	(22,758)
	<u>13,796</u>
At 31 March 2022	<u>13,796</u>

# BLIGHTER SURVEILLANCE SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 15 Retirement benefit schemes

	2022	2021
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	300,247	229,189

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. At the year end contributions totalling £24,666 (2021: £22,237) were payable to the scheme and are included in other creditors.

### 16 Called up share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
A Ordinary of 0.01p each	36,000,000	36,000,000	3,600	3,600
B Ordinary of 0.01p each	2,444,287	2,546,409	244	255
C Ordinary of 0.01p each	217,907	217,907	22	22
	<u>38,662,194</u>	<u>38,764,316</u>	<u>3,866</u>	<u>3,877</u>

The B Ordinary and C Ordinary shares do not hold voting rights but in all other aspects they rank the same as the A Ordinary shares.

### 17 Reserves

#### Profit and loss reserves

Cumulative profit and loss net of distributions to owners and the impact of share based payments credited to equity. Previously the share based payment credit was shown separately as other reserves.

### 18 Related party transactions

#### Remuneration of key management personnel

	2022	2021
	£	£
Aggregate compensation	784,275	666,927

# BLIGHTER SURVEILLANCE SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### 18 Related party transactions (Continued)

#### Other related party transactions

Dr Colin Smithers, Tim Jackson and Ian Murphy, shareholders and directors of the company during the reporting period, are also directors of Plextek Limited, Plextek Services Limited, Plextek Campus Limited and Redtail Telematics Limited.

During the year, expenses totalling £21,775 (2021: £103,191) were borne on behalf of the company by Plextek Limited and recharged at cost. During the year, purchases of goods and services were made from Plextek Limited with a value of £60,727 (2021: £533,849). At the year end, the company owed Plextek Limited £68,112 (2021: £10,731) in relation to these transactions.

During the year the company charged Plextek Limited £nil (2021: £48,000) for the company's staff time working in Plextek Limited during the year. At the year end Plextek owed the company £nil (2021: £4,800) in relation to these transactions.

During the period, purchases of goods and services were made from Plextek Services Limited with a value of £180,543 (2021: £45,545). In addition, sales of goods and services were made to Plextek Services Limited with a value of £18,229 (2021: £3,000). At the year end, the company owed Plextek Services Limited £154,635 (2021: £5,585) in respect of these transactions.

At 31 March 2022, there was a balance outstanding of £468,000 (2021: £198,000) in respect of an unsecured loan from Plextek Services Limited. During the period, the company borrowed £300,000 extending an unsecured loan from Plextek Services Limited. During the period, the company made loan repayments of £30,000 (2021: £120,000) and paid interest of £19,174 (2021: £17,665) with rates ranging from 9.10%-12.50% (2021: 6.10%-9.10%) in respect of this loan.

During the period, expenses totalling £76,556 (2021: £nil) were borne on behalf of Blighter by Plextek Campus Limited and recharged at cost. Purchase of goods and services were made from Plextek Campus Limited with a value of £310,512 (2021: £nil). Expenses totalling £6,226 (2021: £nil) were borne on behalf of Plextek Campus Limited by the company and recharged at cost. At 31 March 2022, Blighter owed Plextek Campus Limited £378,543 in relation to these transactions.

During the year, the company charged Redtail Telematics Limited £3,418 (2021: £nil) for company's staff time. At the year end, Redtail Telematics owed Blighter £684 (2021: £nil) in relation to these transactions.