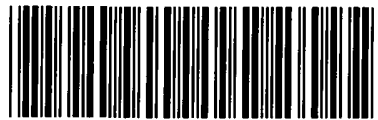


**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017
FOR
NETVU HOLDINGS LIMITED**

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NETVU HOLDINGS LIMITED

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FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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NETVU HOLDINGS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2017

DIRECTORS:

M Einollahi
M J Newton

SECRETARY:

S N Einollahi

REGISTERED OFFICE:

No 1 Thellow Heath Park
Northwich Road
Antrobus
Northwich
Cheshire
CW9 6JB

REGISTERED NUMBER:

10029284 (England and Wales)

AUDITORS:

Howard Worth
Chartered Accountants and
Statutory Auditors
Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

NETVU HOLDINGS LIMITED
GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2017

The directors present their strategic report of Netvu Holdings Ltd (the 'Company') and the group for the year ended 30 September 2017.

REVIEW OF BUSINESS

The Company and its subsidiaries (the 'Group') designs and develops video detection, recording and monitoring equipment. The Company holds all the Group Intellectual Property assets and bears all costs of design and development for those assets.

The three wholly owned direct subsidiaries at the year end are:

- Netvu Limited ("Netvu") who sell and support, in EMEA, products designed and developed by the company ("Own Equipment")
- Dedicated Micros Inc ("Inc") sell and support Own Equipment in the North America market;
- Dedicated Micros Malta ("Malta") manufacture all Own Equipment sold by Netvu and Inc.

At 29 September 2017 the Company disposed of AD Aerospace Limited ("Aero") by demerging the company from the group into the direct ownership of the Group's incumbent shareholders. The consideration for the transaction was £3,296,248 being the original acquisition price of Aero. Consideration for this demerger was satisfied by dividend in specie. Aero's net carrying value at the date of the demerger was £292,244 resulting in a profit of £3,004,004. Aero turnover and operating profit included in the consolidated statement of comprehensive income are £4,610,089 and £850,814 respectively. The demerger of Aero which manufactures and sell specialist camera and video recording systems for use on aircraft was undertaken to allow that Company to better exploit the opportunities in its separate aerospace industry as a stand alone business.

KEY PERFORMANCE INDICATORS

The group made profit before taxation of £1,353,693 for the year ended 30 September 2017 achieving external sales of £13,162,952. Sales and profit were down by 4% and 10% on annualised prior year trading period of 5 ½ months. Whilst the Group has made very significant progress towards its ambition of reducing its borrowings, achieving profitability and sales growth in all its subsidiaries, certain subsidiaries are yet to deliver satisfactory growth.

PRINCIPAL RISKS AND UNCERTAINTIES

The key business risks and uncertainties affecting the group relate to competition, employee retention and the general state of the economy. The directors believe the group has a strategy to address these challenges.

Specific to Netvu and Inc are the challenges associated with creating a route to the market for the innovative, market leading products that have been successfully designed, patented and manufactured. This challenge is being closely monitored by the directors with them considering a number of new sales strategies for implementation.

NETVU HOLDINGS LIMITED
GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2017

FINANCIAL RISK MANAGEMENT AND OBJECTIVES

The Group finances its operations through a mixture of retained profits and where necessary to fund capital expenditure, through shareholder borrowing. The Group received no new shareholder loans during the year, and was able to pay down £940,000 on the original loans to bring the outstanding balance at the year end to £1,010,000 of which a further £540,000 has been repaid since that date.

Management's objectives are to retain sufficient liquid funds to enable the group to meet its day to day obligations as they fall due. Funds are held primarily in short term variable rate deposit accounts giving the group the flexibility to release cash resources as required.

ON BEHALF OF THE BOARD:



M Einollahi - Director

22 December 2017

NETVU HOLDINGS LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

The directors present the report and the audited financial statements of Netvu Holdings Limited (the 'Company') and Group for the year ended 30 September 2017.

PRINCIPAL ACTIVITY

The principal activity of the Company is the development of innovative technology and video surveillance products for license/sale to subsidiary companies to utilise across a number of industries and geographic regions. The Company is also the holding company for the subsidiary entities, including entities incorporated in the US and Malta.

DIVIDENDS

The total distribution of dividends for the year ended 30 September 2017 was £3,296,248.

FUTURE DEVELOPMENTS

The group's business activities, together with the factors likely to affect its future development and financial position are described in the Strategic Report on pages 2 to 3.

The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate with its current level of working capital and access to finance. After making enquiries, the directors have a reasonable expectation that the group has adequate resource to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2016 to the date of this report.

M Einollahi
M J Newton

POLITICAL DONATIONS AND EXPENDITURE

No political donations were made during the period.

DISCLOSURE IN THE STRATEGIC REPORT

Matters of strategic importance to the group are dealt with in the Strategic Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

NETVU HOLDINGS LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

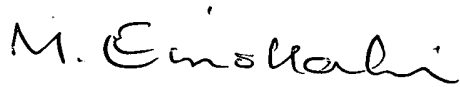
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, Howard Worth, were appointed during the period and will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



M Einollahi - Director

22 December 2017

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NETVU HOLDINGS LIMITED

Opinion

We have audited the financial statements of NetVu Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2017 on pages eight to thirty one. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 30 September 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- the 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 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 in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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

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

Opinion on other matters prescribed by the Companies Act 2006

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
NETVU 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 Group Strategic Report or the Report of the Directors.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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

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



Frances M C Johnson BSc FCA (Senior Statutory Auditor)
for and on behalf of Howard Worth
Chartered Accountants and
Statutory Auditors
Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

22 December 2017

NETVU HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Notes	Year Ended 30/9/17 £	Period 26/2/16 to 30/9/16 £
TURNOVER	4	13,162,952	6,277,293
Cost of sales		<u>4,731,565</u>	<u>2,750,007</u>
GROSS PROFIT		8,431,387	3,527,286
Administrative expenses		<u>7,077,694</u>	<u>2,832,736</u>
OPERATING PROFIT and PROFIT BEFORE TAXATION	7	1,353,693	694,550
Tax on profit	9	<u>22,742</u>	<u>42,286</u>
PROFIT FOR THE FINANCIAL YEAR		1,330,951	652,264
OTHER COMPREHENSIVE INCOME			
Foreign exchange on translation of sub		(28)	13,703
Disposal of subsidiary	25	3,004,004	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>3,003,976</u>	<u>13,703</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>4,334,927</u>	<u>665,967</u>
Profit attributable to: Owners of the parent		<u>1,330,951</u>	<u>652,264</u>
Total comprehensive income attributable to: Owners of the parent		<u>4,334,927</u>	<u>665,967</u>

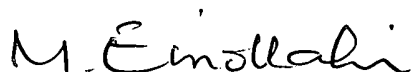
The notes form part of these financial statements

NETVU HOLDINGS LIMITED (REGISTERED NUMBER: 10029284)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 SEPTEMBER 2017

	Notes	30/9/17		30/9/16	
		£	£	£	£
FIXED ASSETS					
Intangible assets	12		65,100		691,498
Tangible assets	13		36,509		100,940
Investments	14		-		-
			<u>101,609</u>		<u>792,438</u>
CURRENT ASSETS					
Stocks	15	733,329		1,146,398	
Debtors	16	2,015,003		2,636,355	
Cash at bank and in hand		<u>873,158</u>		<u>1,151,003</u>	
		3,621,490		4,933,756	
CREDITORS					
Amounts falling due within one year	17	<u>1,968,453</u>		<u>3,510,227</u>	
NET CURRENT ASSETS			<u>1,653,037</u>		<u>1,423,529</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,754,646		2,215,967
CREDITORS					
Amounts falling due after more than one year	18		-		<u>1,500,000</u>
NET ASSETS			<u>1,754,646</u>		<u>715,967</u>
CAPITAL AND RESERVES					
Called up share capital	22		50,000		50,000
Other reserves			13,675		13,703
Retained earnings			<u>1,690,971</u>		<u>652,264</u>
SHAREHOLDERS' FUNDS			<u>1,754,646</u>		<u>715,967</u>

The financial statements were approved by the Board of Directors on 22 December 2017 and were signed on its behalf by:



M Einollahi - Director

The notes form part of these financial statements

COMPANY STATEMENT OF FINANCIAL POSITION
30 SEPTEMBER 2017

	Notes	30/9/17		30/9/16	
		£	£	£	£
FIXED ASSETS					
Intangible assets	12		65,100		(1,860,002)
Tangible assets	13		-		-
Investments	14		<u>520,002</u>		<u>3,296,250</u>
			585,102		1,436,248
CURRENT ASSETS					
Debtors	16	758,200		1,100,092	
Cash at bank		<u>403,719</u>		<u>156,194</u>	
		1,161,919		1,256,286	
CREDITORS					
Amounts falling due within one year	17	<u>1,196,636</u>		<u>760,312</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(34,717)</u>		<u>495,974</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			550,385		1,932,222
CREDITORS					
Amounts falling due after more than one year	18		-		<u>1,500,000</u>
NET ASSETS			<u>550,385</u>		<u>432,222</u>
CAPITAL AND RESERVES					
Called up share capital	22		50,000		50,000
Retained earnings			<u>500,385</u>		<u>382,222</u>
SHAREHOLDERS' FUNDS			<u>550,385</u>		<u>432,222</u>
Company's profit for the financial year			<u>118,163</u>		<u>382,222</u>

The financial statements were approved by the Board of Directors on 22 December 2017 and were signed on its behalf by:

M. Einollahi

M Einollahi - Director

The notes form part of these financial statements

NETVU HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Called up share capital £	Retained earnings £	Other reserves £	Total equity £
Changes in equity				
Issue of share capital	50,000	-	-	50,000
Total comprehensive income	-	652,264	13,703	665,967
Balance at 30 September 2016	<u>50,000</u>	<u>652,264</u>	<u>13,703</u>	<u>715,967</u>
Changes in equity				
Dividends	-	(3,296,248)	-	(3,296,248)
Total comprehensive income	-	4,334,955	(28)	4,334,927
Balance at 30 September 2017	<u>50,000</u>	<u>1,690,971</u>	<u>13,675</u>	<u>1,754,646</u>

The notes form part of these financial statements

NETVU HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Called up share capital £	Retained earnings £	Total equity £
Changes in equity			
Issue of share capital	50,000	-	50,000
Total comprehensive income	<u>-</u>	<u>382,222</u>	<u>382,222</u>
Balance at 30 September 2016	<u>50,000</u>	<u>382,222</u>	<u>432,222</u>
Changes in equity			
Dividends	-	(3,296,248)	(3,296,248)
Total comprehensive income	<u>-</u>	<u>3,414,411</u>	<u>3,414,411</u>
Balance at 30 September 2017	<u>50,000</u>	<u>500,385</u>	<u>550,385</u>

The notes form part of these financial statements

NETVU HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Notes	Year Ended 30/9/17 £	Period 26/2/16 to 30/9/16 £
Cash flows from operating activities			
Cash generated from operations	1	981,892	156,876
Tax paid		<u>(2,755)</u>	<u>329</u>
Net cash from operating activities		<u>979,137</u>	<u>157,205</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(3,903)
Purchase of tangible fixed assets		(58,372)	-
Sale of tangible fixed assets		91,656	-
Acquisition of subsidiaries		-	(1,512,000)
Cash sold / acquired with subsidiary		<u>(350,238)</u>	<u>496,000</u>
Net cash from investing activities		<u>(316,954)</u>	<u>(1,019,903)</u>
Cash flows from financing activities			
Amount introduced by directors		-	1,950,000
Amount withdrawn by directors		(940,000)	-
Share issue		<u>-</u>	<u>50,000</u>
Net cash from financing activities		<u>(940,000)</u>	<u>2,000,000</u>
(Decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year/ period	2	1,151,003	-
Effect of foreign exchange rate changes		<u>(28)</u>	<u>13,701</u>
Cash and cash equivalents at end of year/ period	2	<u>873,158</u>	<u>1,151,003</u>

The notes form part of these financial statements

NETVU HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

1. RECONCILIATION OF PROFIT FOR THE FINANCIAL YEAR TO CASH GENERATED FROM OPERATIONS

	Year Ended 30/9/17 £	Period 26/2/16 to 30/9/16 £
Profit for the financial year/ period	1,330,951	652,264
Depreciation and amortisation	95,504	138,965
Taxation	<u>22,742</u>	<u>42,286</u>
	1,449,197	833,515
Decrease/(increase) in stocks	(175,227)	(176,398)
Decrease/(increase) in trade and other debtors	266,272	(1,121,355)
(Decrease)/increase in trade and other creditors	<u>(558,355)</u>	<u>621,114</u>
Cash generated from operations	<u><u>981,892</u></u>	<u><u>156,876</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 30 September 2017

	30/9/17 £	1/10/16 £
Cash and cash equivalents	<u><u>873,158</u></u>	<u><u>1,151,003</u></u>

Period ended 30 September 2016

	30/9/16 £	26/2/16 £
Cash and cash equivalents	<u><u>1,151,003</u></u>	<u><u>-</u></u>

The notes form part of these financial statements

NETVU HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

1. STATUTORY INFORMATION

NetVu Holdings Limited (the Company) is a private company limited by shares and is registered in England and Wales.

The company's registered number and registered office address can be found on the Company Information page.

The Group consists of NetVu Holdings Limited and all of its subsidiaries.

The company's principal activity is that of a holding company. The Group's principal activity is the development and sale of innovative video surveillance equipment solutions.

The functional and presentation currency of the financial statements is Pounds Sterling (£).

2. STATEMENT OF COMPLIANCE

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

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Transactions are rounded to the nearest £.

The year ended 30 September 2017 is a 12 month period. The comparative period commenced on 26 February 2016 and ended on 30 September 2016. As a result of the length of the accounting periods being different they are not entirely comparable.

Financial Reporting Standard 102 - reduced disclosure exemptions

The group has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2017

3. ACCOUNTING POLICIES - continued

Basis of consolidation

The consolidated financial statements incorporate those of NetVu Holdings Limited and all of its subsidiaries. Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 30 September.

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.

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.

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 directly attributable costs.

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.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Significant judgements and estimates

The company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical.

Turnover

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

Revenue from the sales of goods is recognised when the company has transferred the significant risks and rewards of ownership to the buyer and it is probable that the company will receive the previously agreed upon payment. These criteria are considered to be met when the goods are delivered to the buyer.

NETVU HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 SEPTEMBER 2017

3. ACCOUNTING POLICIES - continued

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2016, is being amortised evenly over its estimated useful life of three years.

Negative goodwill arises when the cost of a business combination is less than the fair value of the interest in the identifiable assets, liabilities and contingent liabilities acquired. The amount up to the fair value of the non-monetary assets acquired is credited to profit or loss in the period in which those non-monetary assets are recovered. Negative goodwill in excess of the fair value of the non-monetary assets acquired is credited to profit or loss in the periods expected to benefit, which the directors expect to be three years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of three years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Plant and machinery	- 20% on cost
Fixtures and fittings	- 33% on cost
Computer equipment	- 33% on cost

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss. If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Stocks

Stocks are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw Materials: purchase cost on a first-in, first-out basis;
- Finished goods and work-in-progress: cost of direct materials, labour and proportion of manufacturing overheads based on a normal operating capacity.

NETVU HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2017

3. ACCOUNTING POLICIES - continued

Financial instruments
FINANCIAL ASSETS

Trade, group and other debtors

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established where there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

FINANCIAL LIABILITIES

Trade, group and other creditors

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Derecognition of financial assets and liabilities

A financial asset is only derecognised when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2017

3. **ACCOUNTING POLICIES - continued**

Deferred tax

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

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

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

Deferred tax is recognised on income or expenses from subsidiaries that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

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 a net basis or to realise the asset and settle the liability simultaneously.

Research and development

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

Foreign currencies

Transactions in currencies other than the functional currency (foreign currencies) 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 balance sheet 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.

Assets and liabilities of overseas subsidiaries (including goodwill and fair value adjustments in relation to overseas subsidiaries) are translated into the group's presentation currency at the rate ruling at the reporting date. Income and expenses of overseas subsidiaries are translated at the average rate for the year as the directors consider this to be a reasonable approximation to the rate at the date of the transaction. Translation differences are recognised in other comprehensive income and accumulated in equity.

Hire purchase and leasing commitments

The group as a lessee - operating leases

All leases are operating leases and annual rentals are charged to profit or loss on a straight line basis over the lease term.

Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised on a straight line basis over the lease term.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

NETVU HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

3. ACCOUNTING POLICIES - continued

Employee benefits

Employees are entitled to carry forward any unused holiday entitlement and the balance sheet date. The cost of any unused entitlement is recognised in the period in which the employees' services are received.

4. TURNOVER

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

An analysis of turnover by geographical market is given below:

	Year Ended 30/9/17 £	Period 26/2/16 to 30/9/16 £
United Kingdom	2,362,400	1,084,595
Europe	1,566,705	961,013
United States of America	7,759,184	2,672,896
Asia	685,329	235,393
Rest of the world	<u>789,334</u>	<u>1,323,396</u>
	<u>13,162,952</u>	<u>6,277,293</u>

5. EMPLOYEES AND DIRECTORS

	Year Ended 30/9/17 £	Period 26/2/16 to 30/9/16 £
Wages and salaries	2,944,823	1,158,972
Social security costs	209,537	90,385
Other pension costs	<u>65,363</u>	<u>77,084</u>
	<u>3,219,723</u>	<u>1,326,441</u>

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

	Year Ended 30/9/17	Period 26/2/16 to 30/9/16
Management	3	1
Manufacturing	67	71
Administration	18	14
Research & development	21	20
Sales & distribution	<u>28</u>	<u>29</u>
	<u>137</u>	<u>135</u>

The average number of employees by undertakings that were proportionately consolidated during the year was NIL (2016 - NIL).

NETVU HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2017

6. DIRECTORS' EMOLUMENTS

	Year Ended 30/9/17 £	Period 26/2/16 to 30/9/16 £
Directors' remuneration	NIL	NIL
Directors' pension contributions to money purchase schemes	<u>NIL</u>	<u>NIL</u>

7. OPERATING PROFIT

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

	Year Ended 30/9/17 £	Period 26/2/16 to 30/9/16 £
Hire of plant and machinery	637	75
Depreciation - owned assets	31,147	56,965
Goodwill amortisation	45,457	66,000
Patents and licences amortisation	18,900	16,000
Auditors' remuneration	11,975	22,500
Operating leases	<u>287,944</u>	<u>327,573</u>

8. KEY MANAGEMENT REMUNERATION

The directors of the subsidiary companies are considered to be key management. Their total remuneration was £353,141.

9. TAXATION

Analysis of the tax charge

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

	Year Ended 30/9/17 £	Period 26/2/16 to 30/9/16 £
Current tax:		
UK corporation tax	-	40,819
Foreign tax	28,334	-
Adjustments in respect of prior year UK tax	<u>(5,592)</u>	-
Total current tax	<u>22,742</u>	<u>40,819</u>
Deferred tax	-	1,467
Tax on profit	<u>22,742</u>	<u>42,286</u>

NETVU HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2017

9. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	Year Ended 30/9/17 £	Period 26/2/16 to 30/9/16 £
Profit before tax	<u>1,353,693</u>	<u>694,550</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.5% (2016 - 20%)	263,970	138,910
Effects of:		
Expenses not deductible for tax purposes	3,705	7,432
Unprovided deferred tax	10,790	1,246
Utilisation of tax losses	(24,965)	(88,027)
Foreign tax	28,334	-
Prior year tax credit	(5,592)	-
Research and development	<u>(253,500)</u>	<u>(17,275)</u>
Total tax charge	<u>22,742</u>	<u>42,286</u>

10. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

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

NETVU HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2017

11. DIVIDENDS

	Year Ended 30/9/17 £	Period 26/2/16 to 30/9/16 £
Ordinary A shares of £1 each Interim in specie paid 29 September 2017	1,648,124	-
Ordinary B shares of £1 each Interim in specie paid 29 September 2017	<u>1,648,124</u>	<u>-</u>
	<u>3,296,248</u>	<u>-</u>

12. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Patents and licences £	Totals £
COST OR VALUATION			
At 1 October 2016	673,500	99,998	773,498
Disposal	(40,082)	2	(40,080)
Fair value adjustments	<u>(633,418)</u>	<u>-</u>	<u>(633,418)</u>
At 30 September 2017	<u>-</u>	<u>100,000</u>	<u>100,000</u>
AMORTISATION			
At 1 October 2016	66,000	16,000	82,000
Amortisation for year	45,457	18,900	64,357
Eliminated on disposal	<u>(111,457)</u>	<u>-</u>	<u>(111,457)</u>
At 30 September 2017	<u>-</u>	<u>34,900</u>	<u>34,900</u>
NET BOOK VALUE			
At 30 September 2017	<u>-</u>	<u>65,100</u>	<u>65,100</u>
At 30 September 2016	<u>607,500</u>	<u>83,998</u>	<u>691,498</u>

NETVU HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2017

12. INTANGIBLE FIXED ASSETS - continued

Company

	Goodwill £	Patents and licences £	Totals £
COST OR VALUATION			
At 1 October 2016	(2,255,000)	99,998	(2,155,002)
Disposal	2,509,954	2	2,509,956
Fair value adjustments	<u>(254,954)</u>	<u>-</u>	<u>(254,954)</u>
At 30 September 2017	<u>-</u>	<u>100,000</u>	<u>100,000</u>
AMORTISATION			
At 1 October 2016	(311,000)	16,000	(295,000)
Amortisation for year	(468,421)	18,900	(449,521)
Eliminated on disposal	<u>779,421</u>	<u>-</u>	<u>779,421</u>
At 30 September 2017	<u>-</u>	<u>34,900</u>	<u>34,900</u>
NET BOOK VALUE			
At 30 September 2017	<u>-</u>	<u>65,100</u>	<u>65,100</u>
At 30 September 2016	<u>(1,944,000)</u>	<u>83,998</u>	<u>(1,860,002)</u>

Patents and licenses are stated at cost.

FAIR VALUE ADJUSTMENTS

During the year fair value of certain assets acquired in March and April 2016 were reassessed and updated. Further negative goodwill of £633,418 was recognised in respect of the following:

	£
Increased recoveries from debtors	389,954
Stock write down	<u>(135,000)</u>
	254,954
Reduction in liability to creditors	<u>378,464</u>
	<u>633,418</u>

NETVU HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2017

13. TANGIBLE FIXED ASSETS

Group

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 October 2016	54,134	-	103,771	157,905
Additions	48,828	8,975	569	58,372
Disposals	<u>(91,656)</u>	<u>-</u>	<u>-</u>	<u>(91,656)</u>
At 30 September 2017	<u>11,306</u>	<u>8,975</u>	<u>104,340</u>	<u>124,621</u>
DEPRECIATION				
At 1 October 2016	350	-	56,615	56,965
Charge for year	<u>10,953</u>	<u>249</u>	<u>19,945</u>	<u>31,147</u>
At 30 September 2017	<u>11,303</u>	<u>249</u>	<u>76,560</u>	<u>88,112</u>
NET BOOK VALUE				
At 30 September 2017	<u>3</u>	<u>8,726</u>	<u>27,780</u>	<u>36,509</u>
At 30 September 2016	<u>53,784</u>	<u>-</u>	<u>47,156</u>	<u>100,940</u>

NETVU HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

14. FIXED ASSET INVESTMENTS

Company	Unlisted investments £
COST	
At 1 October 2016	3,296,250
Additions	520,000
Disposals	<u>(3,296,248)</u>
At 30 September 2017	<u>520,002</u>
NET BOOK VALUE	
At 30 September 2017	<u>520,002</u>
At 30 September 2016	<u>3,296,250</u>

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

NetVu Limited

Registered office: England & Wales

Nature of business: Innovative technology & video surveillance

Class of shares:	%
Ordinary	holding 100.00

NETVU HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

14. FIXED ASSET INVESTMENTS - continued

Dedicated Micros Inc

Registered office: United States of America, State of Virginia

Nature of business: Innovative technology & video surveillance

	%
Class of shares:	holding
Ordinary	100.00

Dedicated Micros (Malta) Ltd

Registered office: Malta

Nature of business: Innovative technology & video surveillance

	%
Class of shares:	holding
Ordinary	100.00

15. STOCKS

	Group	
	30/9/17	30/9/16
	£	£
Stocks	608,975	920,968
Finished goods	<u>124,354</u>	<u>225,430</u>
	<u>733,329</u>	<u>1,146,398</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

Stock recognised in cost of sales during the year as expense was £3,690,389 (2016 - £2,210,360).

As at 30 September 2017 an impairment loss of £2,961,051 (2016 £3,738,012) was recognised against stock.

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30/9/17	30/9/16	30/9/17	30/9/16
	£	£	£	£
Trade debtors	1,259,044	2,065,711	141,733	-
Amounts owed by group undertakings	-	-	64,568	896,474
Other debtors	435,053	325,284	435,053	203,618
Prepayments and accrued income	<u>320,906</u>	<u>245,360</u>	<u>116,846</u>	<u>-</u>
	<u>2,015,003</u>	<u>2,636,355</u>	<u>758,200</u>	<u>1,100,092</u>

As at 30 September 2017 an impairment loss of £25,234 (2016 - £70,353) was recognised in respect of trade receivables due from customers.

NETVU HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2017

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30/9/17	30/9/16	30/9/17	30/9/16
	£	£	£	£
Trade creditors	456,438	1,446,900	153,968	9,374
Taxation	(137,398)	42,615	(169,907)	19,000
Social security and other taxes	66,207	73,889	-	-
VAT	68,292	30,958	23,575	9,739
Other creditors	123,682	113,253	-	52,469
Shareholder loans	1,010,000	450,000	1,010,000	450,000
Accrued expenses	381,232	1,352,612	179,000	219,730
	<u>1,968,453</u>	<u>3,510,227</u>	<u>1,196,636</u>	<u>760,312</u>

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

	Group		Company	
	30/9/17	30/9/16	30/9/17	30/9/16
	£	£	£	£
Shareholder loans	<u>-</u>	<u>1,500,000</u>	<u>-</u>	<u>1,500,000</u>

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	30/9/17	30/9/16
	£	£
Within one year	232,792	248,154
Between one and five years	752,304	951,337
In more than five years	-	41,651
	<u>985,096</u>	<u>1,241,142</u>

20. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	30/9/17	30/9/16
	£	£
Shareholder loans	<u>1,010,000</u>	<u>1,950,000</u>

The shareholder loans are secured with a fixed and floating charge over the assets of the company.

NETVU HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2017

21. FINANCIAL INSTRUMENTS

The carrying value of the group's financial instruments were:

	Group	
	30/9/17	30/9/16
	£	£
Financial assets:		
Debt instruments measured at amortised cost	<u>1,712,097</u>	<u>2,390,995</u>

	Group	
	30/9/17	30/9/16
	£	£
Financial liabilities:		
Measured at fair value through profit or loss	<u>1,968,453</u>	<u>5,010,227</u>

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30/9/17	30/9/16
			£	£
25,000	Ordinary A	£1	25,000	25,000
25,000	Ordinary B	£1	<u>25,000</u>	<u>25,000</u>
			<u>50,000</u>	<u>50,000</u>

23. RELATED PARTY DISCLOSURES

During the year, total dividends in specie of £3,296,248 were paid to directors.

	30/9/17	30/9/16
	£	£
Amount due to Mythra Ltd, a company controlled by M Einollahi	505,000	975,000
Property rental paid to a M Einollahi family trust	<u>60,000</u>	<u>27,500</u>
	30/9/17	30/9/16
	£	£
Property rental paid to M Newton family	152,294	68,750
Amount due to Mr M J Newton	<u>505,000</u>	<u>975,000</u>

NETVU HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2017

24. **ULTIMATE CONTROLLING PARTY**

In the opinion of the directors there is no controlling party.

25. **DISPOSAL OF SUBSIDIARY**

On 29 September 2017 the group executed a sale agreement to dispose of its 100% holding in AD Aerospace Limited. On this date control of the subsidiary, whose principal activity is the manufacture of CCTV cameras and supply of other electronic equipment for the aerospace industry, passed to the incumbent shareholders of the Company.

Consideration satisfied by dividend in specie		£	3,296,248
Stocks	453,291		
Debtors	745,034		
Cash	350,238		
Creditors	(984,942)		
Tax Payable	<u>(200,000)</u>		
	363,621		
Goodwill realised on disposal	<u>(71,377)</u>		
			<u>(292,244)</u>
Profit on disposal of subsidiary			<u>3,004,004</u>