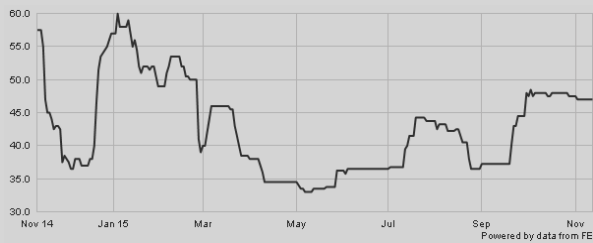


Key Statistics

Code	: DGB
Listing	: AIM
Sector	: Security & Surveillance
Market Cap	: £39.65m
Share in issue	: 84.53m
Current Price	: 47.30p
12 month High/Low:	: 61.00pp/30.00pp

Stock Performance



Financials

£'m	2015	2014	2013	2012
Revenue	19.40	19.04	23.27	15.00
Pre-Tax	-18.70	-15.07	-10.76	-4.10
Earnings	-17.91	-14.61	-9.92	-3.54

Source: Digital Barriers plc Final Results

Company description

Digital Barriers plc is engaged in designing and engineering of surveillance technologies. The Company provides surveillance technologies to the international homeland security and defence markets. The Company's products include SafeZone-edge, ThruVision and OmniPerception. Its services include specialist services, such as integrated surveillance for high-security sites, discreet surveillance for unique locations and surveillance and security for transport networks. The Company also offers an end-to-end turn-key project delivery and support service, as well as specialist services in areas such as thermal imagery systems, physical security and training. As well as deploying its own solutions, it also integrates a range of third-party technologies.

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Digital Barriers: Rome Wasn't Built in a Day

Digital Barriers was established back in 2010, bringing a wealth of experience in the form of Non-Executive Chairman, Tom Black who previously spent over 20 years with Detica Group which was eventually sold to BAE Systems in 2008 for £538m.

The company designs and engineers advanced surveillance technologies that underpin mission-critical operations. Their product platforms feature world-class IP in areas such as wireless and bandwidth-efficient surveillance transmission, autonomous sensor networks, surveillance integration and people screening. These solutions are heavily immersed in a variety of sectors including Defence, Law Enforcement, Border Security and Oil & Gas.

Over the past five years the company has successfully identified and acquired an extensive IP product portfolio, and invested heavily in updating and tailoring these solutions to make them relevant to their clients' markets. This strategy of building a platform for future growth has rewarded the company with a flurry of contract wins over recent months amassing over £5.5m.

Digital Barriers is evolving from a singular technology provider of products to offering clients an end to end solution that is better suited to their customers' complex requirements. Not only does the company provide hardware to its customers on the front end, but also offers a comprehensive offering through their analytics suite. One example is through their *SafeZone-edge* offering which allows their clients to add automated processing, functions and insights to security and surveillance measures. This particular technology is a government-accredited world-class application used for monitoring parameters and sterile zones. It is installed directly onto an IP camera, which is a more practical alternative to server-based solutions.

Another example of the company successfully commercialising their IP comes in the form of their live wireless video offering, *TVI*. *TVI* technology is a leading platform for surveillance distribution over limited or variable bandwidth networks – including cellular and satellite comms. *TVI* services clients whereby their ability to capture and redistribute real-time recorded video and audio is an operational necessity. Over recent months, Digital Barriers has announced numerous contract wins in this space such as the provision of *TVI* vehicle-borne video surveillance to a major law enforcement agency in Asia Pacific, an integrated surveillance platform solution sold to a flagship government defence agency and surveillance solutions to major federal law enforcement agencies in the USA. Many of these contracts are operating in strict regulatory environments offering extremely high barriers to entry for other potential competitors.

The challenge of commercialising IP has been a graveyard for many on AIM. Digital Barriers has bucked this trend through the development of market relevant cutting edge technologies that cater to the most demanding environments and clients. Repeat orders are coming through from these customers which is testament to the quality and precision of the company's portfolio. The past five years have been about putting the building blocks in place to enable the company to commercialise world-class solutions built on proprietary, patented IP that is being rolled out across over thirty countries globally. Patient investors will now have significant organic and inorganic growth opportunities over the coming years to look forward to.

For disclosures, refer to the Disclosure Section

Consolidated Income Statement for the year ended 31 March 2015

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Revenue	19,402	19,042
Cost of sales	-12,577	-10,319
Gross profit	6,825	8,723
Administration costs	-19,214	-24,341
Other income	-	706
Other costs	-6,353	-160
Operating loss	-18,742	-15,072
Finance revenue	45	32
Finance costs	-	-27
Loss before tax	-18,697	-15,067
Income tax	785	458
Loss after tax attributable to owners of the parent	-17,912	-14,609
Adjusted loss:		
Loss before tax	-18,697	-15,067
Amortisation of intangibles initially recognised on acquisition	1,865	1,733
Loss on disposal of businesses	103	-
Adjustments to deferred consideration	-	-679
Reorganisation costs	-	1,860
Impairment of goodwill	6,250	-
Impairment of intangibles	-	160
Adjusted loss before tax for the year	-10,479	-11,993
(Loss) per share - basic	(25.85p)	(25.87p)
(Loss) per share - diluted	(25.85p)	(25.87p)
(Loss) per share - adjusted	(14.12p)	(21.49p)
(Loss) per share - adjusted diluted	(14.12p)	(21.49p)

Sources: Digital Barriers plc Final Results

Consolidated Statement of Financial Position as at 31 March 2015

	31 March 2015	31 March 2014
	£'000	£'000
Assets		
Non-current assets		
Property, plant and equipment	683	1,108
Goodwill	18,186	24,802
Other intangible assets	2,092	3,857
	20,961	29,767
Current assets		
Inventories	4,499	3,895
Trade and other receivables	8,869	7,706
Current tax recoverable	1,513	826
Cash and cash equivalents	8,701	14,246
	23,582	26,673
Total assets	44,543	56,440
Equity and liabilities		
Attributable to equity holders of the Parent		
Equity share capital	845	646
Share premium	82,757	75,879
Capital redemption reserve	4,786	4,786
Merger reserve	454	454
Translation reserve	-868	-212
Other reserves	-307	-307
Retained earnings	-48,826	-31,352
Total equity	38,841	49,894
Non-current liabilities		
Deferred tax liabilities	116	194
Provisions	134	161
	250	355
Current liabilities		
Trade and other payables	5,261	5,608
Financial liabilities	163	163
Provisions	28	420
	5,452	6,191
Total liabilities	5,702	6,546
Total equity and liabilities	44,543	56,440

Sources: Digital Barriers plc Final Results

Condensed Consolidated Interim Statement of Cash Flow for six months ended 31 March 2015

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
<i>Operating activities</i>		
Loss before tax	-18,697	-15,067
Non-cash adjustment to reconcile loss before tax to net cash flows:		
Depreciation of property, plant and equipment	630	739
Amortisation of intangible assets	1,971	1,819
Impairment of goodwill	6,250	-
Impairment of intangible assets	-	160
Share-based payment transaction expense	438	524
Unrealised (gains) / loss on foreign exchange	-95	-
Release of deferred consideration	-	-494
Reassessment of deferred consideration	-	-212
Disposal of fixed assets	56	178
Finance income	-45	-32
Finance costs	-	27
Working capital adjustments:		
(Increase) / decrease in trade and other receivables	-1,262	5,353
Increase in inventories	-604	-2,116
Decrease in trade and other payables	-62	-919
(Decrease) / increase in deferred revenue	-285	704
(Decrease) / increase in provisions	-419	581
Cash utilised in operations	-12,124	-8,755
Tax received	3	220
Net cash flow from operating activities	-12,121	-8,535
<i>Investing activities</i>		
Purchase of property, plant and equipment	-532	-624
Expenditure on intangible assets	-3	-8
Payment of deferred consideration	-	-188
Interest received	45	32
Net cash flow utilised in investing activities	-490	-788
<i>Financing activities</i>		
Proceeds from issue of shares	7,350	18,700
Share issue costs	-273	-677
Net cash flow from financing activities	7,077	18,023
Net (decrease)/ increase in cash and cash equivalents	-5,534	8,700
Cash and cash equivalents at beginning of year	14,246	5,544
Effect of foreign exchange rate changes on cash and cash equivalents	-11	2
Cash and cash equivalents at end of year	8,701	14,246

Sources: Digital Barriers plc Final Results

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