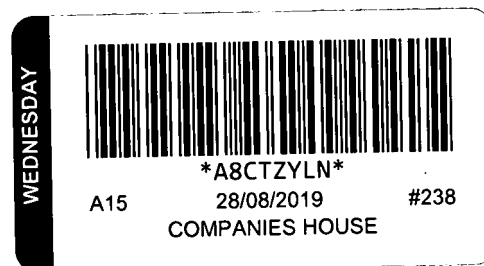


Registration number: 03531080

Pilgrims Group Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 30 November 2018



Roffe Swayne
Statutory Auditors and Chartered Accountants
Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

Pilgrims Group Limited

Contents

Company Information	1
Strategic Report	2 to 4
Directors' Report	5 to 7
Statement of Directors' Responsibilities	8
Independent Auditor's Report	9 to 11
Consolidated Profit and Loss Account	12
Consolidated Statement of Comprehensive Income	13
Consolidated Balance Sheet	14
Balance Sheet	15
Consolidated Statement of Changes in Equity	16
Statement of Changes in Equity	17
Consolidated Statement of Cash Flows	18
Notes to the Financial Statements	19 to 31

Pilgrims Group Limited

Company Information

Directors

D Freear

W Freear

Company secretary

S J Freear

Registered office

Unit 3, Links Business Centre
Old Woking Road
Old Woking
Woking
Surrey
GU22 8BF

Auditors

Roffe Swayne
Statutory Auditors and Chartered Accountants
Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

Pilgrims Group Limited

Strategic Report for the Year Ended 30 November 2018

The directors present their strategic report for the year ended 30 November 2018.

Principal activity

Pilgrims Group is an independent global security, risk management and service support company that identifies and manages risks. Our presence and expertise allows our clients and customers to operate and develop their own business, unhindered and unrestricted, both at home and in hostile and difficult regions around the world.

The Group delivers bespoke service solutions backed by a commitment to the highest levels of quality. Carefully selected consultants, from a wide range of specialist backgrounds, provide expertise to deliver robust, practical and scalable cost-effective solutions.

Operating throughout the UK, US, EMEA and Asia, the Group prides itself on meticulous procedures, advice and systems developed from a comprehensive experience and knowledge base. Our level of accreditation is foremost in the industry including full implementation of SIA regulation, ISO 18788 throughout the business and multiple, consecutive zero audits for ISO9001.

The Group's highly integrated services address all potential vulnerabilities, beginning with fundamentals like manned guarding and extending to advanced risk consultancy and management for special risk situations. The Group's services include:

- Risk consultancy and planning
- Operational consultancy
- Journey/fleet management
- Marine protection
- Aviation security
- Life support
- Manned guarding
- Training
- Information and Intelligence systems and products
- Communications field support
- Technical systems & equipment
- Specialist Forensic, Government, Military and Police services

We bring together expert knowledge and experience from a cross-section of security disciplines to help assess organisations' exposure to risk across their operations. Our teams are hand-picked from the security elite including; Government security services, Special Forces, military and police. We help clients plan and deploy measured and sustainable security systems, processes and resources to comprehensively address specific risks.

The Group is proud to serve a broad range of clients with experience working with sovereign states and multi-national corporations in the Oil & Gas, Technology, Healthcare, Media, Energy, Telecoms, professional and financial services sectors. Our extensive client portfolio includes some of the world's largest and most influential organisations.

Pilgrims Group Limited

Strategic Report for the Year Ended 30 November 2018

Fair review of the business

Pilgrims Group continues to set standards across the industry and provide premium quality services that exceed clients' requirements to ensure their people, assets, data and reputation are safe guarded and future proofed against the constant changing of threats and risks global and national businesses face.

The year saw the expected growth in turnover due to the continuation of contracts signed in the prior financial year. Turnover was up on prior year by approximately £7.2m to £28.3m (2017: £21.1m). Whilst there was an associated increase in direct costs, the Company's processes ensured that these were kept under control and in line with expectation across operations in the Company's main geographic markets increased by £5.8m to £23.8m (2017: £18.0m). The net impact of all changes in the year increased gross profit margin to 15.8% (2017: 14.9%).

Furthermore, new contracts won within the reporting year and in 2019 have been successfully implemented. These have added to turnover in 2019 and will add further to future turnover and profitability; notable success in manned guarding in the UK and Nigeria is due to recognition of the Company's continued investment in the development of UK & EMEA operations.

This growth has come despite the recognised business pressures caused by ongoing global economic challenges. The directors are therefore satisfied with the continued successes and the overall performance of the Group; the Company has been successful in targeted strategic markets providing a good platform for future growth. The consolidated profit and loss for the year is set out on page 9.

Revenues and profit margins will continue to be the key performance indicators for the Group with strategic objectives being set across the business in order to align goals to achieve overall Group strategic targets.

Principal risks and uncertainties

FINANCIAL RISK MANAGEMENT

The Group's activities do expose it to a number of financial risks including price risk, credit risk, liquidity risk and cash flow risk. Through the recognition of the value of diversity, the Group manages these risks to a minimum level. The Group's policies on price risk, credit risk, liquidity risk and cash flow risk, and its exposure to these risks, are set out below.

PRICE RISK

Careful planning and development around clients and service offerings positions the Group to address the competitive price pressures that exist in its marketplace. In 2019, the Group will continue to concentrate on the signing of new clients, cross selling of products and the development of new partner relationships. The Group will also continue to look at investment opportunities that complement the Group's strategy and invest in technology that will enhance core services, drive efficiencies and improve service experience.

CREDIT RISK

The Group's principle financial assets are bank balances and trade receivables. The Group's credit risk is primarily attributable to its trade receivables and as such the Group operates a collections function that focuses on timely collection. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance of impairment is made where there is an identified loss event which, based on experience, is evidence of a reduction in the recoverability. Credit risk has been strategically managed through maintaining a balanced portfolio of customers spreading risk exposure over a wide range of industry size and segments. The portfolio proudly combines both SME and Multi-national corporate clients together with a variety of sovereign agencies.

Pilgrims Group Limited

Strategic Report for the Year Ended 30 November 2018

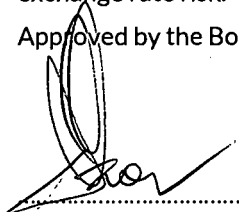
LIQUIDITY RISK

The Group maintains sufficient cash balances as demonstrated in the financial statements. The risk on liquid funds is limited as the main counterparty is a bank with a good credit-rating assigned by international rating agencies. Cash balances held in financial institutions in hostile or semi-hostile areas are kept low to minimise risk of loss.

CASH FLOW RISK

The Group endeavours to mitigate dependency on cash, and thus minimise cash flow risk, through sustained focus on controls such as day-to-day cash flow management and reporting and operational forecasting. The vast majority of the Group's transactions are in home currency or US Dollar. The Group maintains bank accounts in the predominant transactional currencies to minimise operational foreign exchange rate risk.

Approved by the Board on 22 August 2019 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'D Freear', is written over a horizontal dotted line.

D Freear
Director

Pilgrims Group Limited

Directors' Report for the Year Ended 30 November 2018

The directors present their report for the year ended 30 November 2018.

Directors of the group

The directors who held office during the year were as follows:

W Freear
D Freear

Employees

The Group's employees are essential to the delivery of the Group's objectives. The Group recognises that attracting and retaining employees is only possible if the right working environment is created and attractive reward mechanisms and opportunities for personal development are provided. The group has a wide range of policies relating to employees to support this. The Group is committed to promoting policies to ensure that those who are employed by the Group's businesses are treated equally regardless of status, sex, age, colour, race or ethnic origin.

The Group is committed to ensuring that people with disabilities are supported and encouraged to apply for employment with the Group and to achieve progress through the Group. They will be treated so that they have an equal opportunity, so far as is justifiable, to be selected, trained and promoted. Every reasonable effort will be made to enable disabled persons to be retained in the employment of the Group by investigating the possibility of making reasonable adjustments to the job.

The Group is committed to maintaining the highest level of compliance with Health and Safety standards at all times and regards the safety of its employees, subcontractors, clients, customers and visitors as a key priority. The Group maintains a Health and Safety Policy that is communicated throughout the organisation.

The Group places considerable value of the involvement of its employees and continues to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group and Company. This is achieved through formal and informal meetings, regular e-magazine publications and a variety of other Company news emails. Employees are consulted on significant matters affecting their current and future interests.

Future developments

The Group achieved new contract signings in 2019. Political and economic pressures in the main geographic markets continue to present challenges however and in response, the Group continues to make strategic assessments of the markets to ensure it is well positioned to react to opportunities and threats alike.

The Group considers the political and economic challenges to be ongoing in the main countries of operation. The Group remains fully committed to growth and by continuing to uphold the highest level of pride and professionalism in servicing clients, expects to maintain volumes from existing clients and further increase activity from new clients.

Further to success in the UK and Nigeria manned guarding services in 2018 and 2019, there will be a focus for continued development in 2019/20 and future years. The platform established in the last 3+ years has shown market desire for quality orientated services that provide a service that goes beyond current market levels.

Pilgrims Group Limited

Directors' Report for the Year Ended 30 November 2018

Future developments (continued)

Investment in the Group's infrastructure projects to provide an enhanced platform for developing and managing growth has continued in 2018 and will continue in 2019/20. Specifically, development of the Pilgrims state-of-the-art Training Academy continues; the 45,000 sq ft Centre of Excellence offers an expansive indoor training environment complete with a large mock-town and high-tech classrooms to deliver world-class services across Pilgrims training portfolio. This is further strengthened by the ongoing development of the Pilgrims comprehensive suite of e-learning products and Apps.

The Lagos based Operations Centre continues to provide a great platform in servicing customers across Nigeria and enhancing operational efficiency and effectiveness to Pilgrims' security portfolio. The Lagos operations centre has facilitated synergies of effort and increased efficiency by bringing together our African journey management, tracking and alarm response into a single location. The Operations Centre continues to be an attraction to clients in 2019 and the Group expects this to continue in 2020 and beyond.

As the sole provider of all security related services to the UK government, Pilgrims has become a trusted and reliable name in the consular arena in Nigeria, and has led to the Australian embassy contract and interest from other commonwealth countries.

The world's largest cement maker, Lafarge, has appointed Pilgrims for a 5 year period as their sole and preferred security provider. As such Pilgrims employs over 2000 guards at more than 10 locations in Nigeria, giving the company excellent exposure in all capital regions of the country as well as areas outside of the main centres.

In 2017, the Company invested into RTL, a company that compliments Pilgrims service range with a dedicated security and medical emergency response service offering. The proposition has entered the market as expected and is forecast to show measured growth during 2019 and beyond. Public and corporate response has already shown very positive interest and we are confident in its potential to generate a robust and increasing revenue stream.

We continue to benefit from our place as the sole C-Track agent in Nigeria. We continue to expand our footprint and have made excellent progress in penetrating the vehicle tracking market; including the acquisition of a number of high volume clients. With our new initiatives our revenue from the vehicle tracking section is expected to generate significant regular and repeat and growing revenue in the short and medium term future.

Pilgrims has invested in multiple software products including innovative and industry leading risk management software. Our sales and opportunity pipeline look very positive for the end of 2019 and throughout 2020 in the UK, Asia, ME and for global relationships.

Pilgrims is committed to expanding its global footprint and in 2019 will increase its presence in the United States through enhanced partnerships and broadening service portfolios.

Going concern

The Group has sufficient resources together with long-term contracts with a large number of customers across wide and different geographical areas and industries. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully. The financial statements, set out on pages 9 to 28, detail the liquidity position of the group.

After making necessary enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Pilgrims Group Limited

Directors' Report for the Year Ended 30 November 2018

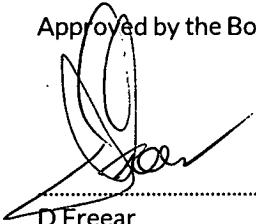
Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Roffe Swayne as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 22 August 2019 and signed on its behalf by:


.....
D Freear
Director

Pilgrims Group Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Pilgrims Group Limited

Independent Auditor's Report to the Members of Pilgrims Group Limited

Opinion

We have audited the financial statements of Pilgrims Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 November 2018, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 November 2018 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

Pilgrims Group Limited

Independent Auditor's Report to the Members of Pilgrims Group Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 8), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Pilgrims Group Limited

Independent Auditor's Report to the Members of Pilgrims Group Limited

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Roffe Swayne

Sharon Ward BSC FCA CF (Senior Statutory Auditor)
For and on behalf of Roffe Swayne, Statutory Auditor

Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

Date: 27/8/19

Pilgrims Group Limited

Consolidated Profit and Loss Account for the Year Ended 30 November 2018

	Note	2018 £	2017 £
Turnover	3	28,275,194	21,102,237
Cost of sales		<u>(23,820,617)</u>	<u>(17,965,667)</u>
Gross profit		4,454,577	3,136,570
Administrative expenses		(4,604,748)	(3,740,530)
Other operating income	4	<u>67,118</u>	<u>66,630</u>
Operating loss	6	<u>(83,053)</u>	<u>(537,330)</u>
Other interest receivable and similar income	7	<u>280</u>	<u>4,013</u>
		<u>280</u>	<u>4,013</u>
Loss before tax		(82,773)	(533,317)
Taxation	11	<u>(46,006)</u>	<u>(237,715)</u>
Loss for the financial year		<u>(128,779)</u>	<u>(771,032)</u>
Profit/(loss) attributable to:			
Owners of the company		(266,687)	(860,214)
Minority interests		<u>137,908</u>	<u>89,182</u>
		<u>(128,779)</u>	<u>(771,032)</u>

The notes on pages 16 to 28 form an integral part of these financial statements.

Pilgrims Group Limited

Consolidated Statement of Comprehensive Income for the Year Ended 30 November 2018

	Note	2018 £	2017 £
Loss for the year		(128,779)	(771,032)
Foreign currency translation gains/(losses)		(111,424)	(461,033)
Share of associates and joint ventures other comprehensive income		(37,142)	(153,678)
		(148,566)	(614,711)
Total comprehensive income for the year		(277,345)	(1,385,743)
Total comprehensive income attributable to:			
Owners of the company		(378,111)	(1,321,247)
Minority interests		100,766	(64,496)
		(277,345)	(1,385,743)

The notes on pages 16 to 28 form an integral part of these financial statements.

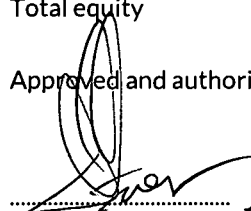
Pilgrims Group Limited

(Registration number: 03531080)

Consolidated Balance Sheet as at 30 November 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	1,325,902	680,775
Investments	13	401,250	384,375
		<u>1,727,152</u>	<u>1,065,150</u>
Current assets			
Stocks	14	54,162	114,398
Debtors	15	6,543,457	5,886,966
Cash at bank and in hand		<u>1,666,880</u>	<u>2,779,356</u>
		8,264,499	8,780,720
Creditors: Amounts falling due within one year	17	<u>(5,011,215)</u>	<u>(4,541,478)</u>
Net current assets		3,253,284	4,239,242
Total assets less current liabilities		4,980,436	5,304,392
Provisions for liabilities	18	<u>(215,512)</u>	<u>(98,084)</u>
Net assets		<u>4,764,924</u>	<u>5,206,308</u>
Capital and reserves			
Called up share capital	20	65,000	65,000
Profit and loss account		<u>4,145,176</u>	<u>4,523,287</u>
Equity attributable to owners of the company		4,210,176	4,588,287
Minority interests		<u>554,748</u>	<u>618,021</u>
Total equity		<u>4,764,924</u>	<u>5,206,308</u>

Approved and authorised by the Board on 22/8/19 and signed on its behalf by:



D Freear

Director

The notes on pages 16 to 28 form an integral part of these financial statements.

Pilgrims Group Limited

(Registration number: 03531080)
Balance Sheet as at 30 November 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	188,327	305,944
Investments	13	30,636	30,636
		<u>218,963</u>	<u>336,580</u>
Current assets			
Debtors	15	3,755,081	4,140,139
Cash at bank and in hand		519,076	1,632,481
		<u>4,274,157</u>	<u>5,772,620</u>
Creditors: Amounts falling due within one year	17	<u>(2,250,807)</u>	<u>(3,678,595)</u>
Net current assets		<u>2,023,350</u>	<u>2,094,025</u>
Net assets		<u>2,242,313</u>	<u>2,430,605</u>
Capital and reserves			
Called up share capital	20	65,000	65,000
Profit and loss account		<u>2,177,313</u>	<u>2,365,605</u>
Total equity		<u>2,242,313</u>	<u>2,430,605</u>

The company made a loss after tax for the financial year of £188,292 (2017 - loss of £1,183,273).

Approved and authorised by the Board on 22/8/19 and signed on its behalf by:



D Freear
Director

Pilgrims Group Limited

Consolidated Statement of Changes in Equity for the Year Ended 30 November 2018

	Share capital £	Profit and loss account £	Non- controlling interests £	Total equity £
At 1 December 2017	65,000	4,523,287	618,021	5,206,308
(Loss)/profit for the year	-	(266,687)	137,908	(128,779)
Other comprehensive income	-	(111,424)	(37,142)	(148,566)
Total comprehensive income	-	(378,111)	100,766	(277,345)
Dividends	-	-	(164,039)	(164,039)
At 30 November 2018	65,000	4,145,176	554,748	4,764,924

	Share capital £	Profit and loss account £	Non- controlling interests £	Total equity £
At 1 December 2016	65,000	5,844,534	682,517	6,592,051
(Loss)/profit for the year	-	(860,214)	89,182	(771,032)
Other comprehensive income	-	(461,033)	(153,678)	(614,711)
Total comprehensive income	-	(1,321,247)	(64,496)	(1,385,743)
At 30 November 2017	65,000	4,523,287	618,021	5,206,308

The notes on pages 16 to 28 form an integral part of these financial statements.

Pilgrims Group Limited

Statement of Changes in Equity for the Year Ended 30 November 2018

	Share capital £	Profit and loss account £	Total £
At 1 December 2017	65,000	2,365,605	2,430,605
Loss for the year	-	(188,292)	(188,292)
Total comprehensive income	-	(188,292)	(188,292)
At 30 November 2018	65,000	2,177,313	2,242,313

	Share capital £	Profit and loss account £	Total £
At 1 December 2016	65,000	3,548,878	3,613,878
Loss for the year	-	(1,183,273)	(1,183,273)
Total comprehensive income	-	(1,183,273)	(1,183,273)
At 30 November 2017	65,000	2,365,605	2,430,605

The notes on pages 16 to 28 form an integral part of these financial statements.

Pilgrims Group Limited

Consolidated Statement of Cash Flows for the Year Ended 30 November 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Loss for the year		(128,779)	(771,032)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	355,050	366,841
Profit on disposal of tangible assets	5	(93,884)	(112,818)
Finance income	7	(280)	(4,013)
Income tax expense	11	46,006	237,715
Foreign exchange (gains) / losses		(118,904)	(205,209)
		59,209	(488,516)
Working capital adjustments			
Decrease/(increase) in stocks	14	60,236	(113,718)
(Increase)/decrease in debtors	15	(656,491)	1,407,171
Increase/(decrease) in creditors	17	666,228	(422,367)
Cash generated from operations		129,182	382,570
Income taxes paid	11	(125,069)	(176,037)
Net cash flow from operating activities		4,113	206,533
Cash flows from investing activities			
Interest received		280	4,013
Acquisitions of tangible assets		(1,178,309)	(210,889)
Proceeds from sale of tangible assets		161,842	134,136
Acquisition of investments		-	(384,375)
Net cash flows from investing activities		(1,016,187)	(457,115)
Cash flows from financing activities			
Foreign exchange (gains) / losses		118,904	205,209
Exchange gain/(loss) on translation		(55,267)	(648,267)
Dividends paid		(164,039)	-
Net cash flows from financing activities		(100,402)	(443,058)
Net decrease in cash and cash equivalents		(1,112,476)	(693,640)
Cash and cash equivalents at 1 December		2,779,356	3,472,996
Cash and cash equivalents at 30 November		1,666,880	2,779,356

The notes on pages 16 to 28 form an integral part of these financial statements.

Pilgrims Group Limited

Notes to the Financial Statements for the Year Ended 30 November 2018

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office and principal place of business is:

Unit 3, Links Business Centre
Old Woking Road
Old Woking
Woking
Surrey
GU22 8BF

2 Accounting policies

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair values.

These financial statements are prepared on a going concern basis. Whilst the Group faces difficult trading conditions in one geographic location and ongoing investment into one trading segment, the directors have an appropriate programme of mitigation and significant new contract tenders are currently in place. Consequently the directors are forecasting a return to profitability in 2018 and beyond and therefore consider it appropriate to prepare the accounts on a going concern basis.

Summary of disclosure exemptions

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.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 30 November 2018 using the acquisition method of accounting.

Revenue recognition

Revenue represents net invoiced sales of goods, excluding value added tax, except in respect of service contracts where turnover is recognised when the group obtains the right to consideration.

Pilgrims Group Limited

Notes to the Financial Statements for the Year Ended 30 November 2018

Foreign currency transactions and balances

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result. Where a subsidiary's trading is expressed in a foreign currency it is consolidated at the average sterling exchange rate for the year.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold improvements	33.33% on reducing balance
Plant and machinery	at varying rates on cost
Fixtures and fittings	20% on cost
Motor vehicles	at varying rates on cost
Computer equipment	33% on cost and 20% on cost

Investments

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the Group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Investments in subsidiary undertakings are stated at cost less a provision for any permanent diminution in value.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

Pilgrims Group Limited

Notes to the Financial Statements for the Year Ended 30 November 2018

Inventories

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

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

Summary of significant accounting policies and key accounting estimates

The significant judgements and sources of key accounting estimates that have been applied in the preparation of these financial statements are set out below. These have been deemed appropriate and consistently applied to all the years presented.

The annual depreciation charge is sensitive to changes in estimated useful lives and residual value of assets. The useful lives and residual values are determined in order for management to apply appropriate depreciation rates as necessary.

Pilgrims Group Limited

Notes to the Financial Statements for the Year Ended 30 November 2018

3 Revenue

The analysis of the group's turnover for the year by market is as follows:

	2018 £	2017 £
UK	11,086,747	7,499,813
Nigeria	12,096,778	5,148,676
Afghanistan	3,928,312	4,730,246
Iraq	580,800	1,868,603
Rest of World	582,557	1,854,899
	<u>28,275,194</u>	<u>21,102,237</u>

4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2018 £	2017 £
Sub lease rental income	<u>67,118</u>	<u>66,630</u>

5 Other gains and losses

The analysis of the group's other gains and losses for the year is as follows:

	2018 £	2017 £
Gain on disposal of property, plant and equipment	<u>93,884</u>	<u>112,818</u>

6 Operating loss

Arrived at after charging/(crediting)

	2018 £	2017 £
Depreciation expense	356,133	366,841
Foreign exchange gains	(118,904)	(205,209)
Profit on disposal of property, plant and equipment	<u>(93,884)</u>	<u>(112,818)</u>

7 Other interest receivable and similar income

	2018 £	2017 £
Interest income on bank deposits	<u>280</u>	<u>4,013</u>

Pilgrims Group Limited

Notes to the Financial Statements for the Year Ended 30 November 2018

8 Staff costs

The aggregate payroll costs were as follows:

	2018 £	2017 £
Wages and salaries	9,544,381	7,273,503
Social security costs	640,427	473,122
Other short-term employee benefits	31,379	18,236
Pension costs, defined contribution scheme	223,380	146,528
	<u>10,439,567</u>	<u>7,911,389</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2018 No.	2017 No.
Head office	123	124
Guarding	370	406
	<u>493</u>	<u>530</u>

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2018 £	2017 £
Remuneration	186,438	-
Contributions paid to money purchase schemes	223,380	146,528
	<u>409,818</u>	<u>146,528</u>

10 Auditors' remuneration

	2018 £	2017 £
Audit of these financial statements	54,000	53,100

Pilgrims Group Limited

Notes to the Financial Statements for the Year Ended 30 November 2018

11 Taxation

Tax charged/(credited) in the income statement

	2018 £	2017 £
Current taxation		
UK corporation tax	-	62,317
UK corporation tax adjustment to prior periods	-	(3,860)
	-	58,457
Foreign tax	46,006	179,258
Tax expense in the income statement	46,006	237,715

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2017 - the same as the standard rate of corporation tax in the UK) of 19% (2017 - 19.33%).

The differences are reconciled below:

	2018 £	2017 £
Loss before tax	(82,773)	(533,317)
Corporation tax at standard rate	(15,727)	(103,090)
Effect of:		
Expenses not deductible in determining taxable profit (tax loss)	-	(1,616)
Tax losses	15,727	195,403
Decrease in UK and foreign current tax from adjustment for prior periods	-	(746)
Tax increase from capital allowances and depreciation	-	147,764
Tax increase arising from overseas tax suffered/expensed	46,006	-
Total tax charge	46,006	237,715

Pilgrims Group Limited

Notes to the Financial Statements for the Year Ended 30 November 2018

12 Tangible assets

Group

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 December 2017	357,190	802,443	1,983,982	3,143,615
Additions	2,678	35,055	1,140,576	1,178,309
Disposals	-	-	(1,012,672)	(1,012,672)
Foreign exchange movements	(4,503)	(16,371)	(46,072)	(66,946)
At 30 November 2018	<u>355,365</u>	<u>821,127</u>	<u>2,065,814</u>	<u>3,242,306</u>
Depreciation				
At 1 December 2017	163,523	625,227	1,674,090	2,462,840
Charge for the year	42,746	43,777	269,610	356,133
Eliminated on disposal	-	-	(945,797)	(945,797)
Foreign exchange movements	(3,716)	11,518	35,426	43,228
At 30 November 2018	<u>202,553</u>	<u>680,522</u>	<u>1,033,329</u>	<u>1,916,404</u>
Carrying amount				
At 30 November 2018	<u>152,812</u>	<u>140,605</u>	<u>1,032,485</u>	<u>1,325,902</u>
At 30 November 2017	<u>193,667</u>	<u>177,216</u>	<u>309,892</u>	<u>680,775</u>

Included within the net book value of land and buildings above is £152,812 (2017 - £193,667) in respect of short leasehold land and buildings.

Pilgrims Group Limited

Notes to the Financial Statements for the Year Ended 30 November 2018

Company

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 December 2017	254,601	415,411	934,567	1,604,579
Additions	-	1,149	-	1,149
Disposals	-	-	(888,926)	(888,926)
At 30 November 2018	254,601	416,560	45,641	716,802
Depreciation				
At 1 December 2017	78,884	352,600	867,151	1,298,635
Charge for the year	24,438	26,912	541	51,891
Eliminated on disposal	-	-	(822,051)	(822,051)
At 30 November 2018	103,322	379,512	45,641	528,475
Carrying amount				
At 30 November 2018	151,279	37,048	-	188,327
At 30 November 2017	175,717	62,811	67,416	305,944

Included within the net book value of land and buildings above is £151,279 (2017 - £175,717) in respect of short leasehold land and buildings.

Pilgrims Group Limited

Notes to the Financial Statements for the Year Ended 30 November 2018

13 Investments

Group

	£
At 1 December 2017	384,375
Foreign exchange movements	<u>16,875</u>
At 30 November 2018	<u>401,250</u>

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of shares held 2018	2017
Rescue Technologies Limited	Mauritius	Ordinary	20%	20%

The principal activity of Rescue Technologies Limited is Technology and business solutions

Company

	2018 £	2017 £
Investments in subsidiaries	<u>30,636</u>	<u>30,636</u>

Subsidiaries

Cost or valuation

At 1 December 2017	<u>30,636</u>
--------------------	---------------

Provision

Carrying amount

At 30 November 2018	<u>30,636</u>
At 30 November 2017	<u>30,636</u>

Pilgrims Group Limited

Notes to the Financial Statements for the Year Ended 30 November 2018

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2018	2017
Subsidiary undertakings				
Pilgrims Special Projects Limited	England and Wales	Ordinary	100%	100%
Pilgrims USA Inc	USA	Common stock	100%	100%
Pilgrims Africa Limited	Nigeria	Ordinary	75%	75%
Associates				
SARL Pilgrims Algeria	Algeria	Ordinary	48.88%	48.88%

The principal activity of Pilgrims Special Projects Limited is Dormant

The principal activity of Pilgrims USA Inc is Dormant

The principal activity of Pilgrims Africa Limited is Security services

The principal activity of SARL Pilgrims Algeria is Dormant

14 Stocks

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Other inventories	54,162	114,398	-	-

Pilgrims Group Limited

Notes to the Financial Statements for the Year Ended 30 November 2018

15 Debtors

		Group		Company	
	Note	2018 £	2017 £	2018 £	2017 £
Trade debtors		5,366,725	4,580,817	2,809,912	3,287,110
Amounts owed by related parties	22	-	32,272	317,841	32,272
Other debtors		865,196	1,037,659	388,820	627,230
Prepayments and accrued income		284,067	208,749	211,039	166,058
Income tax asset	11	27,469	27,469	27,469	27,469
		<u>6,543,457</u>	<u>5,886,966</u>	<u>3,755,081</u>	<u>4,140,139</u>

Details of non-current trade and other debtors

Group

£205,600 (2017 - £214,733) of other debtors is classified as non current.

16 Cash and cash equivalents

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Cash on hand	138,539	222,468	138,539	222,468
Cash at bank	<u>1,528,341</u>	<u>2,556,888</u>	<u>380,537</u>	<u>1,410,013</u>
	<u>1,666,880</u>	<u>2,779,356</u>	<u>519,076</u>	<u>1,632,481</u>

17 Creditors

		Group		Company	
	Note	2018 £	2017 £	2018 £	2017 £
Due within one year					
Trade creditors		1,198,593	1,444,642	649,497	1,264,262
Amounts due to related parties	22	-	-	-	55,514
Social security and other taxes		943,210	794,407	543,262	509,405
Other payables		1,303,764	1,500,386	772,063	1,471,020
Accruals		1,459,713	499,617	285,985	378,394
Income tax liability		105,935	302,426	-	-
		<u>5,011,215</u>	<u>4,541,478</u>	<u>2,250,807</u>	<u>3,678,595</u>

The group's bank holds an all asset debenture over Pilgrims Group Limited.

Pilgrims Group Limited

Notes to the Financial Statements for the Year Ended 30 November 2018

18 Deferred tax and other provisions

Group

	Deferred tax £	Total £
At 1 December 2017	98,084	98,084
Increase (decrease) in existing provisions	117,428	117,428
At 30 November 2018	215,512	215,512

19 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £223,380 (2017 - £146,528).

20 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
"A" shares of £0.01 each	6,500,000	65,000	6,500,000	65,000

21 Obligations under leases and hire purchase contracts

Company

Operating leases

The total of future minimum lease payments is as follows:

	2018 £	2017 £
Not later than one year	474,968	474,968
Later than one year and not later than five years	1,458,056	1,573,024
Later than five years	2,070,000	2,430,000
	4,003,024	4,477,992

Pilgrims Group Limited

Notes to the Financial Statements for the Year Ended 30 November 2018

22 Related party transactions

Pilgrims Security Services Limited

A company controlled by Mr W.E. Freear

During the year management charges of -£47,777 (2017: £617,029) were charged from the company.

	2018	2017
	£	£
Amounts due from related party at balance sheet date	-	<u>31,938</u>

23 Ultimate controlling party

The controlling party is W E Freear.