

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). Upon the publication of this announcement via a Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

24 April 2019

AB Dynamics plc

Interim results for the six months ended 28 February 2019

"Strong financial and operational performance across the business"

AB Dynamics plc (AIM: ABDP, "ABD", "the Group"), the designer, manufacturer and supplier of advanced testing systems and measurement products to the global automotive market, is pleased to announce its Interim Results for the six-month period to 28 February 2019.

FINANCIAL HIGHLIGHTS

- Revenue increased 69% to £25.8m (H1 2018: £15.3m)
- Profit before tax (excluding share option costs) increased 95% to £6.4m (H1 2018: £3.3m)
- Basic EPS increased 130% to 28.36p (H1 2018: 12.35p); Diluted EPS increased 130% to 27.61p (H1 2018: 12.03p)
- Interim dividend increased 10% to 1.612p per ordinary share (H1 2018: 1.465p)
- Net cash position as at 28 February 2019 was £18.9m (H1 2018: £12.9m; FY 2018: £15.9m)

OPERATIONAL HIGHLIGHTS

- Developed an updated strategy for the next phase of growth, building on the existing strong foundations
- Significant improvement in manufacturing efficiency resulting in reduced delivery lead times
- Delivered our 1,000th driving robot system, demonstrating the scale of our installed base
- New LaunchPad product for testing ADAS systems with Vulnerable Road Users continues to gain market traction with additional orders
- Second order received for our advanced Vehicle Driving Simulator ("aVDS") from Kempten University in Germany following successful delivery of our first aVDS to a customer in China
- As part of our planned international growth we have established AB Dynamics Inc in Detroit, USA
- Full planning permission received for a new UK facility adjacent to our existing head office providing further capacity for growth
- Order book remains strong, providing full visibility for the remainder of FY2019 and into FY2020

There will be a presentation for analysts this morning at 9:30am at Tulchan Communications, 2nd Floor, 85 Fleet Street, London, EC4Y 1AE. Please contact abdynamics@tulchangroup.com if you would like to attend.

Dr James Routh, Chief Executive said:

"I have been greatly impressed with the business during my first six months at ABD. ABD has outstanding technology, a market leading position with many long-standing blue-chip client relationships, and a committed and capable team. This combination means we can enable automotive OEMs and global mobility providers to put active safety at the heart of current and future automotive technology.

The active safety market continues to grow and develop, supported by long term structural and regulatory growth drivers. Today, we have set out how ABD will move forward through the next stage of its corporate development in a sustainable manner, leveraging the strengths of the business while making targeted investments to drive future growth. We have already made some initial progress toward these strategic objectives, which have contributed to what is a very positive financial and operational performance for the first half and which gives us confidence in the remainder of the current financial year”.

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AB Dynamics plc

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The person responsible for arranging the release of this information is Dr James Routh, CEO of the Company.

Chairman’s Statement

Introduction

I am delighted that the Group continues to go from strength to strength, reporting another period of strong progress. Since ABD joined the AIM market in 2013, interim revenue and adjusted operating profit have shown compound annual growth of 31% and 41% respectively (based on H1 2014 to H1 2019). We continue to benefit from our leading position in the market for advanced automotive test and measurement equipment that enables our customers to develop and introduce ever more sophisticated vehicles incorporating enhanced levels of safety and autonomy. Our sustained performance remains a testament to the quality and commitment of our employees, now numbering 174 (H1 2018: 130), who design, manufacture and support equipment that continues to enhance our reputation for innovation and reliability. We continue to invest in our manufacturing capacity and international footprint, our capabilities and our people, and the Board looks forward to the next stage in the development of the Group under the leadership of our new Chief Executive Officer, Dr James Routh.

Board Changes

Dr James Routh joined ABD as Chief Executive Officer in October 2018. James has brought significant experience of leadership within global engineering businesses and a track record of strategy, product development and M&A that will be invaluable to the Group. Since joining, James has visited our operations and an increasing number of our customers and suppliers in the USA, Japan and Germany, and developed an updated strategy to support the next phase of the Group's growth. James's CEO report provides an overview of the Group's strategic priorities in the years ahead.

As previously reported, Rob Hart has decided to step down from his role as Chief Financial Officer and the Board and will leave ABD in July 2019. I would like to take this opportunity to thank Rob for his contribution to the business over the last decade and wish him well in his future endeavours. The Board has commenced a search process to recruit an experienced CFO and we will provide an update in due course.

I can also report that Mat Hubbard has moved to the role of Chief Technology Officer from his previous position as Chief Operations Officer. He will provide important leadership to the development of the new products envisaged within our updated strategy and our detailed product development roadmap.

Our People

Our performance and ongoing strategic development are based on the continued commitment and development of our people. I am pleased to report that the Group continues to attract high quality individuals at all levels in the organisation. We seek to provide an attractive and stimulating working environment with exciting and interesting work, coupled to attractive rewards and benefits. I thank all our employees for their dedication and hard work through a particularly busy first six months of our financial year.

In anticipation of the expected continued growth of the business, and to focus on our updated strategic priorities, we continue to develop our senior management team. We have commenced a search process to recruit an Operations Director to take responsibility for our global operations and a Group HR Director to manage our policies and processes to ensure we attract and retain talent across an operational footprint of increasing complexity and demands.

Interim Dividend

The Board is recommending an interim dividend of 1.612p per ordinary share, payable on 17 May 2019. The ex-dividend date will be 2 May 2019 and the record date will be 3 May 2019. The interim dividend represents an increase of 10% over the prior year.

Anthony Best

Non-Executive Chairman

24 April 2019

Chief Executive Officer's review

Results

I am very pleased to report that the Group has delivered a record half year in terms of revenue and adjusted operating profit that demonstrates the ongoing demand for our products and services. The market and regulatory growth drivers in Advanced Driver Assistance Systems ("ADAS") and autonomous vehicle technology remain favourable and the Group's industry leadership leaves us well positioned to benefit from this long-term trend.

For the half year ended 28 February 2019 the Group delivered revenues of £25.8m, representing a 69% growth against the reported H1 2018 revenue of £15.3m. Revenues were positively influenced by a buoyant ADAS testing market, the success of new product launches and an operational initiative to reduce delivery lead times that pulled forward revenues which would otherwise had fallen into the second half of the year. Our sales to customers based outside the UK were similar to previous years at 98%.

The Track Testing sector of the business grew by 64% influenced strongly by continuing growth in demand for our Driving Robots which grew by 75% to £14.2m (H1 2018: £8.1m) as our products continue to evolve to meet the increasingly sophisticated demands of ADAS and autonomous vehicle testing requirements. Our production rates of driving robots have now reached record levels and significant progress has been made to improve operational processes and the supply chain to substantially reduce delivery lead times.

As reported previously, ABD has increased the manufacturing capacity for ADAS platforms for Guided Soft Targets ("GSTs") and we have introduced a new dedicated manufacturing cell for the new LaunchPad product line. This investment has facilitated revenue growth of 49% in ADAS Test Products to £8.8m (H1 2018: £5.9m). We have also launched a new more capable track testing communication product called TrackFi Powermesh to support the trend towards increasingly complex, multi-object ADAS test scenarios that are required for the development of vehicles with greater levels of autonomy.

The Laboratory Testing sector delivered strong growth of 117% to £2.8m (H1 2018: £1.3m) due to delivery of an aVDS simulator to a customer in China and a Suspension Parameter Measurement Machine ("SPMM") to a European customer. We are seeing increasing demand for SPMM products, particularly in Asia Pacific as new entrants to the market require the ability to characterise vehicle suspension systems.

Overall, the Group delivered strong revenue growth in the first half in most international territories with notable performances in the USA (+108%), UK & Europe (+90%) and Asia Pacific (+46%) which was primarily driven by demand from China.

During the first half of the year we introduced changes to the way that we calculate our gross margin to better reflect the profitability of our products and services. As a result we have reclassified certain costs from cost of sales that are now reported within operating costs. On this revised basis, the reported gross margin for the Group declined modestly in the period to 50.1% (H1 2018: 51.4%) and this compares to 35.6% (H1 2018: 34.4%) using the previous methodology. The modest reduction in gross margin is due to product mix with a higher proportion of laboratory testing sales in the first half of the year.

Adjusted operating profit (excluding share option costs) increased by 95% to £6.4m (H1 2018: £3.3m) due to increased revenue and strong operating leverage through disciplined control of operating costs, resulting in adjusted operating margins improving by +320bps to 24.7% (H1 2018: 21.5%). On an

underlying, like for like basis, operating costs have increased 42% as a result of the substantial growth in revenues and our ongoing investment programme. H2 2019 adjusted operating margins are anticipated to be broadly in line with FY 2018 margins as planned investments in resources, overseas facilities and infrastructure are implemented.

Reported profit before tax increased by 114% to £6.3m (H1 2018: £2.9m). Basic EPS and diluted EPS both increased by 130% to 28.36p and 27.61p respectively, driven by the strong operating performance and a decrease in the effective rate of tax from 18.7% to 11.6%.

Market Update

The Group operates within a significant long-term growth market, led by the ongoing development of ADAS technologies and the drive towards semi- and fully-autonomous vehicles that is also supported by fast evolving regulatory and vehicle safety standards. As part of the strategic development of the Group, the Board has considered the current and predicted market drivers, trends and needs.

The drive towards full autonomy has significant challenges and is proving to be far more complex than has been speculated on and publicised in the media. The commercial impact for ABD is that we anticipate an extended time period for the incremental implementation of ADAS systems on conventional vehicles than is currently being reported and an extension to autonomy implementation periods.

Automotive R&D spend on ADAS and autonomous vehicles continues to increase and whilst absolute market growth data is difficult to quantify, there are numerous reference points available from automotive OEMs and Tier 1 suppliers that support compound annual growth rates for ADAS related sales in excess of 20%. This, coupled with significant investment in infrastructure from the providers of testing track services, provides ABD with a strong market opportunity and continued high growth potential.

The draft agreement adopted by the United Nations Economic Commission for Europe (UNECE), a key UN standards agency, requiring all new vehicles to be equipped with Autonomous Emergency Braking (“AEB”) and other ADAS systems is one of the most recent developments that illustrates the types of opportunity ABD can capitalise upon. This draft regulation was agreed by 40 countries led by Japan and the European Union but not including China, USA and India, and will come into effect in early 2020. Assisted Emergency Braking (“AEB”) and other ADAS systems will then become mandatory for all new cars and light commercial vehicles from 2022. It is expected that regulation will develop further to include additional ADAS systems, such as Autonomous Emergency Steering (“AES”), as the technology develops.

Due to the incalculable number of potential scenarios and environmental conditions that ADAS systems and autonomous vehicles will encounter, there is a trend towards the use of simulation. Whilst adoption of simulators is at a formulative stage, we have acted early to develop a leading offer in this space. As customers have recognised the difficulty of evaluating their vehicle systems in live environments such as public roads, we are seeing growing levels of interest in our aVDS product.

In summary, we believe AB Dynamics remains uniquely positioned to continue to support global mobility providers throughout every stage of the shift towards semi- or fully-autonomous systems, whether they are traditional automotive OEMs or technology organisations investing heavily in Artificial Intelligence (“AI”) and deep learning systems.

Our Strategic Priorities

Since its inception in 1982 as an automotive engineering consultancy, ABD has constantly evolved to take leading positions in areas of product specialism commencing with SPMMs, through to systems for the testing and simulation of ADAS and autonomous systems today. To allow the Group to fully capture the market opportunities while leveraging our core strengths, we have developed an updated strategy for the next stage of our corporate development.

Our updated strategy has five key strategic priorities to build on our strong track record of sustainable growth:

i. New Product Development

Following an extensive review of the trends, drivers and needs within our selected addressable markets and an assessment of ABD's competitive position, we have developed an extensive Product & Technology Roadmap. This roadmap supports the growth ambitions of the Group through disciplined and targeted investment and is a key foundation of the strategy.

Ongoing development of regulation and legislation, consumer demands for active safety, incremental introduction of ADAS technology and the limits of current autonomous technologies supports increased investment in our product portfolio and provides us with confidence in the long-term demand for our products. Our planned new product launches include a combination of new products and an evolution of existing products as testing requirements become more complex.

ii. Capability & Capacity

A key element of the updated strategy is to ensure that appropriate levels of capability and capacity are available to meet the future growth demands of the business in terms of human resources, facilities, infrastructure, manufacturing capability and Business Management Systems (IT). We have identified clear requirements for these areas of development based on the planned growth profile over the strategic review cycle.

The Group has now received full planning permission for our new 2,846m² facility adjacent to our existing main building, which will be used as a simulation centre of excellence and engineering research and development and will be ready for occupation in the second half of 2020. In addition, we have identified a need for a new Business Management System incorporating ERP, CRM, finance and operations.

iii. International Footprint

As a global business supplying advanced engineering solutions to a demanding blue-chip client base it is important to have a local presence to provide the Service and Support element envisaged in our updated strategy. We have already commenced operations from new facilities in Germany and the USA and as part of our planned international expansion we intend to establish ABD operations in other key markets.

Our sales strategy is evolving to address selected key markets through direct sales by establishing sales resources in our international locations that will be supported by a strengthened sales function in the UK through a combination of recruitment, training and IT systems.

International locations will allow us to build closer relationships with our customers and in particular our Key Accounts in order to meet their continually evolving requirements and to ensure that we maintain our close partnerships to ensure we meet their current and future needs.

iv. Service and Support

We recently delivered our 1000th driving robot system and our overall installed base of products is increasing rapidly in all our key markets. As regulation and the sophistication and integration of ABD's products increases, customers will need greater levels of local service and support. Customers require timely technical support and provision of services such as spares, maintenance, calibration, training and on-site technical support and this will form part of our ongoing development.

This is an evolution of the existing ABD operating model and will provide enhanced earnings visibility as we provide additional value adding services.

v. Acquisitive Growth

Although the strategic plan is based on delivering long term, sustainable organic growth there may be opportunities where selective acquisitions could provide an expedited route to growth. This may be to accelerate and de-risk product and technology development, broaden our geographic footprint or to assist vertical integration.

Any acquisition activity would be highly targeted against defined strategic, operational, financial and cultural criteria and would be value enhancing before being considered. ABD will develop the additional internal skills and capabilities required to support any acquisition activity.

Summary & Outlook

Overall, I am very pleased with the performance of the Group and it is clear I have joined an outstanding business. The strategy we are announcing today provides the means to leverage our current strengths, capabilities and track record to fully capture the market opportunities ahead.

There will be many phases to the development of fully autonomous vehicles and we foresee extended periods of time before they can satisfy a significant part of society's mobility requirements. There remain significant barriers to adoption including technical, ethical, legal, financial and infrastructure and these challenges will result in the incremental implementation of ADAS systems over many years to come. The ongoing regulatory environment and consumer demand for safety are also driving technological advancements in global mobility requirements and this provides a highly supportive market backdrop to the Group's activities.

The second half of the financial year has started positively, and our order book visibility gives the Board confidence in the outlook for ABD for the remainder of 2019 and beyond.

Dr James Routh

Chief Executive Officer

24 April 2019

AB Dynamics plc

Unaudited consolidated statement of comprehensive income

for the six months ended 28 February 2019

		Unaudited 6 months ended 28 February 2019 £	Unaudited 6 months ended 28 February 2018 Restated £	Audited Year ended 31 August 2018 Restated £
	Notes			
Revenue	3	25,808,560	15,286,844	37,051,145
Cost of sales		(12,888,817)	(7,421,695)	(18,583,862)
Gross profit		12,919,743	7,865,149	18,467,283
Operating Costs		(6,538,269)	(4,581,250)	(9,924,715)
Adjusted Operating profit before Share based payment costs		6,381,474	3,283,899	8,542,568
Share based payment costs		(146,482)	(366,204)	(659,167)
Operating Profit		6,234,992	2,917,695	7,883,401
Net finance income and (costs)		57,398	18,977	63,167
Profit before taxation		6,292,390	2,936,672	7,946,568
Income tax expense		(731,932)	(548,767)	(931,900)
Profit after taxation and total comprehensive income for the period		5,560,458	2,387,905	7,014,668
Earnings per share-Basic	2	28.36p	12.35p	36.29p
Earnings per share-Diluted	2	27.61p	12.03p	35.03p

AB Dynamics plc

Unaudited consolidated statement of financial position

for the six months ended 28 February 2019

	Unaudited 28 February 2019 £	Unaudited 28 February 2018 £	Audited 31 August 2018 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	14,831,949	12,943,824	13,679,409
Deferred tax assets	1,614,931	208,646	1,288,777
Intangible assets	212,534	-	-
	16,659,414	13,152,470	14,968,186
CURRENT ASSETS			
Inventories	9,641,236	6,878,530	6,903,374
Trade receivables	9,051,071	6,251,428	6,489,393
Other receivables, deposits and prepayments	1,867,634	1,614,098	1,980,870
Amount owing by contract customers	398,564	1,012,889	2,188,770
Taxation	183,866	-	55,749
Cash and cash equivalents	18,938,664	12,895,939	15,941,961
	40,081,035	28,652,884	33,560,117
TOTAL ASSETS	56,740,449	41,805,354	48,528,303
EQUITY AND LIABILITIES			
Called up share capital	196,792	193,875	195,365
Share premium account	10,821,426	9,668,311	10,257,615
Reconstruction reserve	(11,284,500)	(11,284,500)	(11,284,500)
Merger relief reserve	11,390,000	11,390,000	11,390,000
Retained earnings	33,005,038	21,741,167	27,484,250
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY AND TOTAL EQUITY	44,128,756	31,708,853	38,042,730
NON-CURRENT LIABILITIES			
Deferred tax liabilities	359,040	-	339,040
CURRENT LIABILITIES			
Trade and other payables	12,252,653	9,461,622	10,146,533
Provision for taxation	-	634,879	-
	12,252,653	10,096,501	10,146,533
TOTAL LIABILITIES	12,611,693	10,096,501	10,485,573
TOTAL EQUITY AND LIABILITIES	56,740,449	41,805,354	48,528,303

AB Dynamics plc
Unaudited statement of changes in equity
for the six months ended 28 February 2019

	Share capital	Share premium	Merger relief reserve	Reconstruction reserve	Retained profits	Total equity
	£	£	£	£	£	£
At 1 September 2018	195,365	10,257,615	11,390,000	(11,284,500)	27,484,250	38,042,730
Share based payment expense	-	-	-	-	146,482	146,482
Profit after taxation and Total comprehensive Income for the financial year	-	-	-	-	5,560,458	5,560,458
Tax impact of exercised Share Options	-	-	-	-	243,651	243,651
Dividend paid	-	-	-	-	(429,803)	(429,803)
Issue of shares, net of share issue costs	1,427	563,811	-	-	-	565,238
At 28 February 2019	196,792	10,821,426	11,390,000	(11,284,500)	33,005,038	44,128,756
At 1 September 2017	191,119	8,579,265	11,390,000	(11,284,500)	19,370,938	28,246,822
Share based payment expense	-	-	-	-	366,204	366,204
Profit after taxation and Total comprehensive Income for the financial year	-	-	-	-	2,387,905	2,387,905
Dividend paid	-	-	-	-	(383,880)	(383,880)
Issue of shares, net of share issue costs	2,756	1,089,046	-	-	-	1,091,802
At 28 February 2018	193,875	9,668,311	11,390,000	(11,284,500)	21,741,167	31,708,853
At 1 September 2017	191,119	8,579,265	11,390,000	(11,284,500)	19,370,938	28,246,822
Share based payment expense	-	-	-	-	659,167	659,167
Profit after taxation and Total comprehensive Income for the financial year	-	-	-	-	7,014,668	7,014,668
Tax impact of exercised Share Options	-	-	-	-	1,107,382	1,107,382
Dividend paid	-	-	-	-	(667,905)	(667,905)
Issue of shares, net of share issue costs	4,246	1,678,350	-	-	-	1,682,596
At 31 August 2018	195,365	10,257,615	11,390,000	(11,284,500)	27,484,250	38,042,730

AB Dynamics plc
Unaudited cash flow statement
for the six months ended 28 February 2019

	Unaudited 6 months Ended 28 February 2019 £	Unaudited 6 months Ended 28 February 2018 £	Audited Year Ended 31 August 2018 £
Cash flow from operating activities			
Profit before taxation	6,292,390	2,936,672	7,946,568
Adjustments for: -			
Depreciation of property, plant and equipment	473,072	214,245	462,994
Loss on sale of property, plant and equipment	-	6,750	14,606
Interest income	(57,398)	(18,977)	(63,167)
Share based payment	146,482	366,204	659,167
Operating cash flows, before working capital changes	6,854,546	3,504,894	9,020,168
Decrease/(increase) in inventories	(2,737,862)	(1,919,095)	(1,943,939)
Decrease/(increase) in trade and other receivables	(658,236)	1,448,578	(332,040)
(Decrease)/increase in other payables	1,956,502	2,509,819	3,194,730
Cash flow (used in) / from operations	5,414,950	5,544,196	9,938,919
Interest received	57,398	18,977	63,167
Income tax paid	(280,236)	(294,586)	(1,002,057)
Net cash flow (used in) / from operating activities	5,192,112	5,268,587	9,000,029
Cash flow used in investing activities			
Purchase of property, plant and equipment	(1,838,146)	(2,699,915)	(3,698,478)
Sale of property, plant and equipment	-	-	6,374
Investment in GmbH	(492,698)	-	-
Net cash flow used in investing activities	(2,330,844)	(2,699,915)	(3,692,104)
Cash flow used in financing activities			
Dividends paid	(429,803)	(383,880)	(667,905)
Proceeds from issue of share capital, net of share issue costs	565,238	1,091,802	1,682,596
Net cash flow from/(used in) financing activities	135,435	707,922	1,014,691
Net (decrease) / increase in cash and cash equivalents	2,996,703	3,276,594	6,322,616
Cash and cash equivalents at beginning of period	15,941,961	9,619,345	9,619,345
Cash and cash equivalents at end of period	18,938,664	12,895,939	15,941,961

AB Dynamics plc

Notes to the unaudited interim report

for the six months ended 28 February 2019

1. Basis of preparation

The Company is a public limited company limited by shares and incorporated under the UK Companies Act. The Company is domiciled in the United Kingdom and the registered office and principal place of business is Middleton Drive, Bradford on Avon, Wiltshire, BA15 1GB.

The principal activity is the specialised area of design and manufacture of test equipment for vehicle suspension, steering, noise and vibration. The company also offers a range of services which include analysis, design, prototype manufacture, testing and development.

The interim financial information has been prepared in accordance with the basis of the accounting policies set out in the annual report and accounts for the year ended 31 August 2018, which have been prepared in accordance with International Financial Reporting Standards as adopted for use by the European Union. The interim accounts are unaudited and do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006.

The same accounting policies, presentation and methods of computation have been followed in this unaudited interim financial information as those which were applied in the preparation of the Group's annual statements for the year ended 31 August 2018, upon which the auditors issued an unqualified opinion, and which have been delivered to the registrar of companies.

During the period management have undertaken an exercise to reanalyse costs between cost of sales and operating expenses in order to better reflect what management consider to be the nature of these costs. As a result of this exercise, management have applied the same principles retrospectively for the period to 28 February 2018 and the year end 31 August 2018 which have resulted in reclassifications in the income statement in these periods. There was no overall impact on profit after tax in any period.

The interim financial information has been drawn up using accounting policies and presentation expected to be adopted in the Group's full financial statements for the year ended 31 August 2019. Any new standards that will be adopted in full for the first time in the year-end financial statements did not have a material impact on this interim financial information.

The interim financial information for the six months ended 28 February 2019 was approved by the Board on 23 April 2019.

The Directors are declaring an interim dividend of 1.612p per ordinary share. The ex-dividend date will be 2 May, the record date 3 May and the payment date 17 May 2019.

2. Earnings per share

The calculation of earnings per share is based on the following earnings and number of shares:

	Unaudited 6 months ended 28 February 2019 £	Unaudited 6 months ended 28 February 2018 £	Audited Year Ended 31 August 2018 £
Profit after tax attributable to owners of the Company	5,560,458	2,387,905	7,014,668
Weighted average number of shares			
Basic	19,603,549	19,338,217	19,330,494
Diluted	20,138,237	19,853,038	20,023,754
Earnings per share			
Basic	28.36 pence	12.35 pence	36.29 pence
Diluted	27.61 pence	12.03 pence	35.03 pence

3. Analysis of revenue by geographical area

Revenues attributable to individual foreign countries are as follows:

	Unaudited 6 months ended February 2019 £	Unaudited 6 months ended February 2018 £	Audited Year ended August 2018 £
United Kingdom	431,211	478,935	616,964
Rest of the European Union	7,837,769	3,864,540	12,477,737
North America	4,214,937	2,022,911	5,093,783
Rest of the World	13,324,643	8,920,458	18,862,661
	<u>25,808,560</u>	<u>15,286,844</u>	<u>37,051,145</u>

There were no material non-current assets located outside the United Kingdom.

Revenues are derived from the following:

Revenue from sale of goods	23,031,705	14,004,854	32,940,739
Revenue from construction contracts	2,776,855	1,281,990	4,110,406
	<u>25,808,560</u>	<u>15,286,844</u>	<u>37,051,145</u>