

## **Verisure Services (UK) Limited**

**Unaudited**

**Financial statements**

For the year ended 31 December 2016

Registered number: 08840095

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## Statement of financial position

As at 31 December 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Intangible assets	4	286,297	-
Tangible assets	5	2,900,538	592,642
		<u>3,186,835</u>	<u>592,642</u>
<b>Current assets</b>			
Stocks	6	784,363	236,155
Debtors: amounts falling due within one year	7	891,549	424,431
		<u>1,675,912</u>	<u>660,586</u>
Creditors: amounts falling due within one year	8	(21,590,058)	(7,661,931)
<b>Net current liabilities</b>		<u>(19,914,146)</u>	<u>(7,001,345)</u>
<b>Total assets less current liabilities</b>		<u>(16,727,311)</u>	<u>(6,408,703)</u>
<b>Net liabilities</b>		<u>(16,727,311)</u>	<u>(6,408,703)</u>
<b>Capital and reserves</b>			
Share capital		1	1
Profit and loss account		(16,727,312)	(6,408,704)
		<u>(16,727,311)</u>	<u>(6,408,703)</u>

The directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

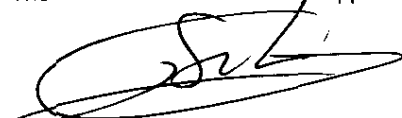
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
 .....  
**Mr J G Sanchez Delgado**  
 Director

Date: 21-09-2017

The notes on pages 2 to 7 form part of these financial statements.

## **Notes to the financial statements**

For the year ended 31 December 2016

### **1. General information**

The company is a private company limited by shares and incorporated in England and Wales. Its registered office is Unit 1 Ground Floor, Brentside Executive Park, Great West Road, Brentford, Middlesex, United Kingdom, TW8 9HE. Its registered number is 08840095.

### **2. Accounting policies**

#### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies.

The following principal accounting policies have been applied:

#### **2.2 Going concern**

At the balance sheet date, the company's liabilities exceeded its assets. The company has received assurance from the parent company, Securitas Direct AB, that they will continue to give financial support to the company for a period of at least twelve months from that date of signing of these financial statements. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

#### **2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### **Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

#### **2.4 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

#### **2.5 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

## Notes to the financial statements

For the year ended 31 December 2016

### 2. Accounting policies (continued)

#### 2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 20% straight line
Office equipment	- 20% - 33% straight line
Computer equipment	- 20% - 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

#### 2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

#### 2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### 2.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

#### 2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

## Notes to the financial statements

For the year ended 31 December 2016

### 2. Accounting policies (continued)

#### 2.10 Foreign currency translation

##### Functional and presentation currency

The Company's functional and presentational currency is GBP.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of income and retained earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of income and retained earnings within 'other operating income'.

#### 2.11 Finance costs

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

#### 2.13 Borrowing costs

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

### 3. Employees

The average monthly number of employees, including directors, during the year was 225 (2015 - 70).

## Notes to the financial statements

For the year ended 31 December 2016

### 4. Intangible assets

	Computer software £
<b>Cost</b>	
Additions	312,283
At 31 December 2016	312,283
<b>Amortisation</b>	
Charge for the year	25,986
At 31 December 2016	25,986
<b>Net book value</b>	
At 31 December 2016	286,297
At 31 December 2015	-

### 5. Tangible fixed assets

	Plant and machinery £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2016	516,926	169,287	9,488	695,701
Additions	1,401,321	1,184,540	226,795	2,812,656
Disposals	-	(162,151)	-	(162,151)
At 31 December 2016	1,918,247	1,191,676	236,283	3,346,206
<b>Depreciation</b>				
At 1 January 2016	48,531	52,925	1,603	103,059
Charge for the year on owned assets	231,199	131,888	45,646	408,733
Disposals	-	(66,125)	-	(66,125)
At 31 December 2016	279,730	118,688	47,249	445,667
<b>Net book value</b>				
At 31 December 2016	1,638,517	1,072,988	189,034	2,900,539
At 31 December 2015	468,395	116,362	7,885	592,642

## Notes to the financial statements

For the year ended 31 December 2016

### 6. Stocks

	2016 £	2015 £
Raw materials and consumables	784,363	236,155
	<b>784,363</b>	<b>236,155</b>

### 7. Debtors

	2016 £	2015 £
Trade debtors	170,439	154,220
Amounts owed by group undertakings	50,440	-
Other debtors	1	22,754
Prepayments and accrued income	670,669	247,457
	<b>891,549</b>	<b>424,431</b>

### 8. Creditors: amounts falling due within one year

	2016 £	2015 £
Bank overdrafts	20,420,331	6,629,985
Trade creditors	250,674	254,082
Amounts owed to group undertakings	147,011	120,775
Other taxation and social security	186,905	78,841
Other creditors	20,939	74,568
Accruals and deferred income	564,198	503,680
	<b>21,590,058</b>	<b>7,661,931</b>

The bank overdrafts are on a cash pool revolving facility basis and are guaranteed by the parent undertaking, Verisure Holding AB.

### 9. Controlling party

The immediate parent undertaking is Securitas Direct AB.

The ultimate parent undertaking and controlling party is Shield Luxco 1 S.à.r.l., a company incorporated in Luxembourg.

Shield Luxco 1 S.à.r.l. is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2016. The consolidated financial statements of Shield Luxco 1 S.à.r.l. are available from 5, Rue Guillaume Kroll - 1882 Luxembourg.

Verisure Holdings AB is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Verisure Holdings AB can be obtained from Angbatsbron 1, SE-211 20 Malmö, Skåne County.

**Notes to the financial statements**

For the year ended 31 December 2016

**10. First time adoption of FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.