

**Verisure Services (UK)
Limited**

**Unaudited
Financial statements**

For the year ended 31 December 2017

Registered number: 08840095

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COMPANIES HOUSE

Statement of financial position

As at 31 December 2017

	Notes	2017 £	2016 £
Fixed assets			
Intangible assets	4	352,280	286,297
Tangible assets	5	6,295,432	2,900,538
		<u>6,647,712</u>	<u>3,186,835</u>
Current assets			
Stocks	6	1,147,853	784,363
Debtors: amounts falling due within one year	7	1,169,378	891,549
		<u>2,317,231</u>	<u>1,675,912</u>
Creditors: amounts falling due within one year	8	(41,860,450)	(21,590,058)
Net current liabilities		<u>(39,543,219)</u>	<u>(19,914,146)</u>
Total assets less current liabilities		<u>(32,895,507)</u>	<u>(16,727,311)</u>
Creditors: amounts falling due after more than one year		(212,797)	-
Net liabilities		<u>(33,108,304)</u>	<u>(16,727,311)</u>
Capital and reserves			
Share capital		1	1
Profit and loss account		(33,108,305)	(16,727,312)
		<u>(33,108,304)</u>	<u>(16,727,311)</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:

.....
J G Sanchez Delgado
Director

Date: 24-09-2018

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

Notes to the financial statements

For the year ended 31 December 2017

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 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's 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.

On this basis, the parent company considers it appropriate to prepare the financial statements on a going concern basis. However, should the financial support mentioned above not be forthcoming, the going concern basis used in preparing the company's financial statements may be invalid and adjustments would have to be made to reduce the value of assets to their realisable amount and to provide for any further liabilities which might arise. The financial statements do not include any adjustment to the company's assets or liabilities that might be necessary should this basis not continue to be appropriate.

2.3 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 profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account, within 'finance income or costs'. All other foreign exchange gains and losses are presented in the profit and loss account, within 'other operating income'.

Notes to the financial statements

For the year ended 31 December 2017

2. Accounting policies (continued)

2.4 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.

2.5 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the profit and loss account 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.

2.6 Finance costs

Finance costs are charged to the profit and loss account 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.

2.7 Borrowing costs

All borrowing costs are recognised in the profit and loss account in the year in which they are incurred.

2.8 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.

2.9 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 2017

2. Accounting policies (continued)

2.9 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 profit and loss account.

2.10 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.

2.11 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.

2.12 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.

2.13 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans from banks.

3. Employees

The average monthly number of employees, including directors, during the year was 392 (2016 - 225).

Notes to the financial statements
For the year ended 31 December 2017

4. Intangible assets

	Computer software £
Cost	
At 1 January 2017	312,283
Additions	193,096
At 31 December 2017	<u>505,379</u>
Amortisation	
At 1 January 2017	25,986
Charge for the year	127,113
At 31 December 2017	<u>153,099</u>
Net book value	
At 31 December 2017	<u>352,280</u>
At 31 December 2016	<u>286,297</u>

5. Tangible fixed assets

	Plant and machinery £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2017	1,918,246	1,191,676	236,283	3,346,205
Additions	3,299,640	521,472	353,120	4,174,232
Disposals	(39,368)	-	-	(39,368)
At 31 December 2017	<u>5,178,518</u>	<u>1,713,148</u>	<u>589,403</u>	<u>7,481,069</u>
Depreciation				
At 1 January 2017	279,730	118,688	47,249	445,667
Charge for the year	373,458	264,856	141,024	779,338
Disposals	(39,368)	-	-	(39,368)
At 31 December 2017	<u>613,820</u>	<u>383,544</u>	<u>188,273</u>	<u>1,185,637</u>
Net book value				
At 31 December 2017	<u>4,564,698</u>	<u>1,329,604</u>	<u>401,130</u>	<u>6,295,432</u>
At 31 December 2016	<u>1,638,516</u>	<u>1,072,988</u>	<u>189,034</u>	<u>2,900,538</u>

Verisure Services (UK) Limited

Notes to the financial statements For the year ended 31 December 2017

6. Stocks

	2017 £	2016 £
Raw materials and consumables	1,147,853	784,363
	<u>1,147,853</u>	<u>784,363</u>

7. Debtors

	2017 £	2016 £
Trade debtors	189,508	170,439
Amounts owed by group undertakings	16,788	50,440
Other debtors	238,843	1
Prepayments and accrued income	724,239	670,669
	<u>1,169,378</u>	<u>891,549</u>

8. Creditors: amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	40,336,385	20,420,331
Trade creditors	429,018	250,674
Amounts owed to group undertakings	109,131	147,011
Other taxation and social security	130,329	186,905
Other creditors	47,108	20,939
Accruals and deferred income	808,479	564,198
	<u>41,860,450</u>	<u>21,590,058</u>

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

9. Creditors: amounts falling due after more than one year

	2017 £	2016 £
Accruals and deferred income	212,797	-
	<u>212,797</u>	<u>-</u>

10. Related party transactions

The company has taken advantage of the exemptions in paragraph 1AC.35 of FRS 102 Section 1A and has not disclosed transactions with wholly owned members of the group.

Notes to the financial statements
For the year ended 31 December 2017

11. 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 2017. 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.