

Verisure Services (UK) Limited

Unaudited

Annual report and financial statements

For the year ended 31 December 2020

Registered number: 08840095

THURSDAY



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Company Information

Directors	L M Gil Lasa J G Sanchez Delgado
Company secretary	A Vaque
Registered number	08840095
Registered office	Unit 1 Ground Floor Brentside Executive Park Great West Road Brentford, London TW8 9HE
Chartered accountants	Buzzacott LLP 130 Wood Street London EC2V 6DL

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Strategic report

For the year ended 31 December 2020

Strategy

The company expects to continue to increase its market share in the UK alarm industry through increased advertising and further development.

The company will continue to invest in technological advances, which will enable it to offer more bespoke products to customers.

Principal activity

The principal activity of the company during the year continued to be that of installation of alarm systems and security support services.

Business review

The directors are satisfied with the company's results. The business continues to gain market share in the security industry.

Principal risks and uncertainties

The company is exposed to the following risks:

Credit risk

The company's maximum exposure to credit risk in relation to financial assets is represented by trade and other debtors. Credit checks on new customers may be carried out from time to time if the board, after due consideration, deem this to be necessary. Trade debtors are reviewed on a regular basis and provision is made for doubtful debts when necessary.

Liquidity risk

The company uses a cash revolving facility to ensure sufficient funds are available to meet the operating needs of the business. The company expects to hit targets for the foreseeable future to ensure continued use of this facility. The parent company assesses targets and uses this facility to support the company where necessary.

Financial key performance indicators

The company's financial performance is monitored on a continual basis. The main key performance indicators are as follows:

	2020
Turnover	£32,663,951
Gross profit margin	36.97%

Strategic report (continued)

For the year ended 31 December 2020

Directors' statement of compliance with duty to promote the success of the company

The Directors are aware of their duty under s.172 of the Companies Act 2006 to act in the way they would consider, in good faith, most likely to promote the success of the company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to the points detailed in this statement.

- 1) We hold a firm grip in a particularly competitive environment being the UK Security Alarm market; the company expects to keep up with its continued growth increasing its market share. We are proud of the strength of our bespoke product range and the opportunities, attributable to the company's investment in technological advances. Our skilled staff combine expertise in the field and are well equipped to select the best security system for our customer's needs. This allows Verisure Services UK Limited to provide a high value service, establishing a solid foundation for new customers, while continuing to build on relationships with existing customers.
- 2) The Directors act with good faith and promote the success of the company. They continue to have regard for the interests of the company's employees, suppliers, customers, and investors, including the impact of all activities to make sure that the company's reputation when making decisions shows integrity.

The directors consider the following to be essential for the long-term success of the company:

- Employees: are an asset the company is proud to have. The company is committed to recruiting and retaining a diverse team of high-quality staff to strengthen the team further. Our people are intelligent, creative, knowledgeable, and experienced. We strive to build a culture that motivates our people to work, learn, grow and are a happy workforce.
 - Research: the company have a depth of research, analytical rigour and intimate understanding of our customer's needs enabling particular strategies that set us apart from our competitors.
 - Competitive advantage: the most significant competitive advantages of Verisure Services UK Limited are the ability to know customer needs as well as the technology and products. The Company can predict possible exposures to risk and adjust strategies accordingly, through active re-allocation of assets/staff or anything needed to eliminate risk to its customers.
- 3) The Board of Directors of Verisure Services UK Limited have acted in a way which we consider to be fair to all persons, be they individuals, or companies who have a direct or indirect interest in how we work and the services we provide.

We recognise our responsibility under section 172 of the UK Companies Act 2006 and the intention of the directors in making this statement is to provide some insight into how, as a board, we think and as a Company we seek to interact with all our stakeholders.

We deliver best in class high quality service and a continued growth of product range to our customers. We create a positive and rewarding work environment for our employees; and this will in turn benefit customers and the service we provide to them at the highest level and ultimately, over the long term, will add value to the Group shareholders who have had the trust, confidence, and belief to invest in the UK market so that we can do what we do best.

The Board is focused on having a sustainable business that has the interest of its customers at the heart of its decision-making process. Decisions are based on achieving long term objectives, investing in people, services, and technology to ensure we deliver the commitments we set ourselves.

The Directors recognise the importance of supporting the management team, allowing them to create a working environment and culture which provides the best opportunity for the Company to achieve its ambitions.

Strategic report (continued)

For the year ended 31 December 2020

Engagement with employees

- 1) In a highly competitive environment, retention of staff remains critical. The company ensures it offers a competitive remuneration package, in line with market standards. Furthermore, employees are encouraged to participate in and contribute to management meetings, as well as being consulted on major business decisions.
- 2) Verisure Services UK Limited follows best employment practice and provides employment opportunities to all genders, abilities, and nationalities, adhering to current laws and regulations. The company's continual growth, training, development, and education, encourage employees to share ideas and participate. We will always support our staff to pursue vocational qualifications, as well as other necessary development for the role.
- 3) Our business would not work without the employees building and delivering the services we provide to our customers. It is important that the interests of the employees are aligned with what the business is seeking to achieve, and recruitment and retention of capable and professional colleagues is critical in all we do. To support this, we:
 - Set remuneration at levels we believe are competitive
 - Encourage equity participation in the business
 - Communicate openly and honestly
 - Seek to train, develop and where possible recruit from within
 - Encourage people to take ownership and responsibility within a supportive environment
 - Apply common sense and seek to create a positive and constructive environment that people enjoy working inAbove all we respect our colleagues recognising that sometimes there are more important things in life than work.

Engagement with suppliers, customers, regulators, shareholders, community, and environment

- 1) Customer engagement remains a top priority within the company. The company ensures the customers are constantly updated on new products and services through regular communication as we value the high degree of interaction with our clients and expertise offered by our staff.
- 2) Verisure Services UK Limited's core functions and continued relationship with established suppliers have held the company in good stead for a considerable period whilst we increased our foothold in the UK. The company follows best business practices and reviews all existing suppliers on a regular basis.
- 3) We seek to work with suppliers as if they are an extension of Verisure Services UK Limited that help us keep to our high standards, working in a way that is constructive and collaborative, nurturing these relationships.
- 4) We strive to deliver on the promises and commitments we make to our customers. We therefore seek to establish a close working partnership with our customers, knowing this provides the most successful opportunity to deliver best in class service.
- 5) We make a conscious effort each year to support our wider community as we believe we don't have to choose between making meaningful impact and running a successful business. We want to be more than just a profitable company or market leader, so we are proud that we have actively supported, through many initiatives, various local charities. We try and work with charities that have a connection with us in some way and in 2020 are considering several choices.
- 6) As a company our shareholders are immensely important to us. Without their continued support it is unlikely we would continue to grow and deliver our service. We are fortunate that our shareholders know the Company ethics and understand the services we provide; support the values we instil and the results we seek to achieve. The company reports to the Shareholders on performance, business strategy and return on investment as required.

Strategic report (continued)

For the year ended 31 December 2020

- 7) The company is committed to stepping up its efforts to minimise environmental impact. We drive improvement in environmental and ethical practices throughout our business and activities. We are focusing on improving our sustainability efforts, ranging from the reduction of plastic waste to switching our fleet to only hybrid and electric vehicles.
- 8) We have open and transparent relationships with the regulators and notify any relevant events through the appropriate channels. We have meetings with the regulators as required to discuss changes or developments to strategy and business plans.

This report was approved by the board and signed on its behalf by:

Jose gabino sanchez delgado

Jose gabino sanchez delgado (Nov 4, 2021 11:04 GMT)

.....
J G Sanchez Delgado

Director

Date: 04/11/2021

Directors' report

For the year ended 31 December 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Directors

The directors who served during the year were:

L M Gil Lasa
J G Sanchez Delgado

Results and dividends

The loss for the year, after taxation, amounted to £22,596,798 (2019 -loss £21,540,576).

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgments 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;
- 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 to 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.

Directors' report (continued)

For the year ended 31 December 2020

COVID-19 disclosure

The directors have considered the impact of the current COVID- 19 pandemic on the company's operations, with a particular focus on its effect on our customers, our suppliers, our members and our employees. The directors do not consider this to be cause for material uncertainty in respect of the company's ability to continue as a going concern. The company has adapted well, successfully employing contingency plans, and we consider that the company has sufficient financial support to continue for the foreseeable future, despite the current crisis.

This report was approved by the board and signed on its behalf by:

Jose Gabino Sanchez Delgado

Jose Gabino Sanchez Delgado (Nov 4 2021 11:04 GMT)

.....
J G Sanchez Delgado

Director

Date: 04/11/2021

Statement of income and retained earnings

For the year ended 31 December 2020

	Note	2020 £	2019 £
Turnover	4	32,663,951	24,379,426
Cost of sales		(20,594,776)	(16,443,611)
Gross profit		12,069,175	7,935,815
Administrative expenses		(31,851,379)	(26,398,035)
Other operating income		1,471,559	-
Operating loss		(18,310,645)	(18,462,220)
Interest receivable and similar income		4,626	1,075
Interest payable and expenses		(4,290,779)	(3,079,431)
Loss before tax		(22,596,798)	(21,540,576)
Loss after tax		(22,596,798)	(21,540,576)
Accumulated loss at the beginning of the year		(73,498,085)	(51,957,509)
		(73,498,085)	(51,957,509)
Loss for the year		(22,596,798)	(21,540,576)
Accumulated loss at the end of the year		(96,094,883)	(73,498,085)

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of income and retained earnings.

Statement of financial position

As at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	11	1,197,679	700,513
Tangible assets	12	24,234,042	16,772,731
		<u>25,431,721</u>	<u>17,473,244</u>
Current assets			
Stocks	13	6,366,387	3,258,400
Debtors: amounts falling due within one year	14	2,525,268	2,939,588
Cash at bank and in hand	15	101,447	297,698
		<u>8,993,102</u>	<u>6,495,686</u>
Creditors: amounts falling due within one year	16	(130,394,962)	(97,312,920)
Net current liabilities		<u>(121,401,860)</u>	<u>(90,817,234)</u>
Total assets less current liabilities		<u>(95,970,139)</u>	<u>(73,343,990)</u>
Creditors: amounts falling due after more than one year	17	(124,743)	(154,094)
Net liabilities		<u><u>(96,094,882)</u></u>	<u><u>(73,498,084)</u></u>
Capital and reserves			
Share capital	19	1	1
Profit and loss account	20	(96,094,883)	(73,498,085)
		<u><u>(96,094,882)</u></u>	<u><u>(73,498,084)</u></u>

The directors considers that the company is entitled to exemption from the requirement to have an audit under the provisions of 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 the Companies Act 2006.

Statement of financial position (continued)

As at 31 December 2020

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

Jose gabino sanchez delgado
Jose gabino sanchez delgado (Nov 4, 2021 11:54 GMT)

.....
J G Sanchez Delgado
Director

Date: 04/11/2021

The notes on pages 13 to 22 form part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2020

	Share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2019	1	(51,957,509)	(51,957,508)
Comprehensive income for the year			
Loss for the year	-	(21,540,576)	(21,540,576)
Total comprehensive income for the year	-	(21,540,576)	(21,540,576)
At 1 January 2020	1	(73,498,085)	(73,498,084)
Comprehensive income for the year			
Loss for the year	-	(22,596,798)	(22,596,798)
Total comprehensive income for the year	-	(22,596,798)	(22,596,798)
At 31 December 2020	1	(96,094,883)	(96,094,882)

The notes on pages 13 to 22 form part of these financial statements.

Statement of cash flows

For the year ended 31 December 2020

	2020 £	2019 £
Cash flows from operating activities		
Loss for the financial year	(22,596,798)	(21,540,576)
Adjustments for:		
Amortisation of intangible assets	400,098	233,508
Depreciation of tangible assets	3,329,521	2,205,574
Loss on disposal of tangible assets	1,283,819	761,380
Government grants	(1,471,559)	-
Interest paid	4,290,779	3,079,431
Interest received	(4,626)	(1,075)
Increase in stocks	(3,107,987)	(544,839)
Decrease/(increase) in debtors	153,295	(1,046,819)
Decrease/(increase) in amounts owed by groups	261,025	(247,901)
Increase in creditors	2,022,037	566,849
Increase in amounts owed to groups	2,122,343	642,732
Net cash generated from operating activities	(13,318,053)	(15,891,736)
Cash flows from investing activities		
Purchase of intangible fixed assets	(897,264)	(706,711)
Purchase of tangible fixed assets	(11,806,815)	(9,737,900)
Sale of tangible fixed assets	(267,836)	54,951
Government grants received	1,471,559	-
Interest received	4,626	1,075
Net cash from investing activities	(11,495,730)	(10,388,585)
Cash flows from financing activities		
Interest paid	(4,290,779)	(3,079,431)
Net cash used in financing activities	(4,290,779)	(3,079,431)
Net (decrease) in cash and cash equivalents	(29,104,562)	(29,359,752)
Cash and cash equivalents at beginning of year	(92,622,176)	(63,262,424)
Cash and cash equivalents at the end of year	(121,726,738)	(92,622,176)

Statement of cash flows (continued)

For the year ended 31 December 2020

	2020 £	2019 £
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	101,447	297,698
Bank overdrafts	(121,828,185)	(92,919,874)
	<u>(121,726,738)</u>	<u>(92,622,176)</u>

The notes on pages 13 to 22 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2020

1. General information

The company is a private company limited by shares and incorporated in England and Wales. Its registered office and principal place of business 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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 (see note 3).

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.

However, the coronavirus pandemic is an inherent uncertainty regarding the company's ability to continue as a going concern because it is not possible to predict the outcome of this unprecedented event. The directors are implementing contingency plans to mitigate any negative effects and therefore do not believe that the effect of the coronavirus will be significant.

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.

Notes to the financial statements

For the year ended 31 December 2020

2. Accounting policies (continued)

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Rendering of services

Turnover 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 turnover 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 profit or loss 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 Government grants

Included within other income is Government Grant income; other income is accounted under the accruals model as permitted by FRS 102.

Government grants relating to expenditure on furloughed employees under the Coronavirus Job Retention Scheme (CJRS) are classified as other income in the same period as the related expenditure, in line with FRS 102, section 24.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to profit or loss 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.

2.9 Borrowing costs

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

Notes to the financial statements

For the year ended 31 December 2020

2. Accounting policies (continued)

2.10 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.11 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.

2.12 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.

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% - 33% 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 profit or loss.

2.13 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.

Notes to the financial statements

For the year ended 31 December 2020

2. Accounting policies (continued)

2.14 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.

2.15 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours

2.16 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.

2.17 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. Judgments in applying accounting policies and key sources of estimation uncertainty

The directors do not consider that there were any significant areas of estimation uncertainty or application of judgement.

4. Turnover

The whole of the turnover is attributable to the distribution and installation of alarm systems.

All turnover arose within the United Kingdom.

5. Other operating income

	2020 £	2019 £
Government grants receivable	1,471,559	-
	<u>1,471,559</u>	<u>-</u>

Notes to the financial statements

For the year ended 31 December 2020

6. Operating loss

The operating loss is stated after charging:

	2020 £	2019 £
Exchange differences	73,790	(65,780)
Other operating lease rentals	1,099,373	974,460
	<u>1,099,373</u>	<u>974,460</u>

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	25,004,848	20,336,747
Social security costs	4,072,526	1,996,827
Cost of defined contribution scheme	292,348	248,592
	<u>29,369,722</u>	<u>22,582,166</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Employees	786	738
	<u>786</u>	<u>738</u>

8. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	464,223	407,450
	<u>464,223</u>	<u>407,450</u>

Notes to the financial statements

For the year ended 31 December 2020

9. Interest receivable

	2020 £	2019 £
Other interest receivable	4,626	1,075
	<u>4,626</u>	<u>1,075</u>

10. Interest payable and similar expenses

	2020 £	2019 £
Other loan interest payable	4,290,779	3,079,431
	<u>4,290,779</u>	<u>3,079,431</u>

11. Intangible assets

	Computer software £
Cost	
At 1 January 2020	1,267,912
Additions	897,264
At 31 December 2020	<u>2,165,176</u>
Amortisation	
At 1 January 2020	567,399
Charge for the year	400,098
At 31 December 2020	<u>967,497</u>
Net book value	
At 31 December 2020	<u>1,197,679</u>
At 31 December 2019	<u>700,513</u>

Notes to the financial statements

For the year ended 31 December 2020

12. Tangible fixed assets

	Plant and machinery £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2020	16,331,948	3,137,777	2,062,743	21,532,468
Additions	9,774,885	1,821,450	210,480	11,806,815
Disposals	(1,283,820)	-	-	(1,283,820)
At 31 December 2020	24,823,013	4,959,227	2,273,223	32,055,463
Depreciation				
At 1 January 2020	2,603,535	1,211,899	944,303	4,759,737
Charge for the year	1,866,076	906,552	556,893	3,329,521
Disposals	(267,837)	-	-	(267,837)
At 31 December 2020	4,201,774	2,118,451	1,501,196	7,821,421
Net book value				
At 31 December 2020	20,621,239	2,840,776	772,027	24,234,042
At 31 December 2019	13,728,413	1,925,878	1,118,440	16,772,731

13. Stocks

	2020 £	2019 £
Raw materials and consumables	6,366,387	3,258,400
	<u>6,366,387</u>	<u>3,258,400</u>

Notes to the financial statements

For the year ended 31 December 2020

14. Debtors

	2020 £	2019 £
Trade debtors	358,505	440,342
Amounts owed by group undertakings	71,518	332,543
Other debtors	369,258	328,325
Prepayments and accrued income	1,725,987	1,838,378
	<u>2,525,268</u>	<u>2,939,588</u>

15. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	101,447	297,698
Less: bank overdrafts	(121,828,185)	(92,919,874)
	<u>(121,726,738)</u>	<u>(92,622,176)</u>

16. Creditors: amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	121,828,185	92,919,874
Trade creditors	449,532	1,191,590
Amounts owed to group undertakings	3,426,830	1,304,487
Other taxation and social security	1,852,031	809,844
Other creditors	135,859	19,832
Accruals and deferred income	2,702,525	1,067,293
	<u>130,394,962</u>	<u>97,312,920</u>

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

Notes to the financial statements*For the year ended 31 December 2020***17. Creditors: amounts falling due after more than one year**

	2020 £	2019 £
Accruals and deferred income	124,743	154,094
	<u>124,743</u>	<u>154,094</u>

18. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>101,447</u>	<u>1,182,661</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>92,919,874</u>	<u>(64,445,085)</u>

Financial assets measured at fair value through profit or loss comprise of the bank loans and overdraft facilities.

Financial liabilities measured at amortised cost comprise of loans and overdrafts.

19. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1 (2019 -1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

20. Reserves**Profit and loss account**

Profit and loss account - includes all current and prior period retained losses.

21. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions paid by the company to the fund and amounted to £292,348 (2019: £248,592). No contributions remained payable to the fund at the reporting date.

Notes to the financial statements

For the year ended 31 December 2020

22. Commitments under operating leases

At 31 December 2020 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	1,784,485	1,985,180
Later than 1 year and not later than 5 years	5,558,839	3,050,842
Later than 5 years	1,878,092	2,178,361
	9,221,416	7,214,383

23. Related party transactions

Disclosures required by this section need not to be given of transactions entered into between two or more members of the group, provided that any subsidiary which is a party to the transactions wholly owned by such a member.

24. Controlling party

The immediate parent undertaking is Verisure Topholding 2 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 2020. The consolidated financial statements of Shield Luxco 1 S.à.r.l. are available from 15 Boulevard F.W Raitteisen, L-2411 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, Skane County.