

Registered number: 11652868

CRUSOE MIDCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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CRUSOE MIDCO LIMITED

COMPANY INFORMATION

Directors

T Wrenn
R A Houghton
J S J Murray Obodynski
C L Newman
N Dossa
J Williams

Registered number

11652868

Registered office

Emerald House
East Street
Epsom
Surrey
KT17 1 HS

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
2nd Floor, St. John's House
Haslett Avenue West
Crawley
RH10 1HS

CRUSOE MIDCO LIMITED

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CRUSOE MIDCO LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

Overview

The directors present their strategic report on the affairs of the Crusoe Midco Limited together with the audited financial statements and independent auditor's report for the year ended 31 March 2023.

Crusoe Midco Limited is the holding company for a number of companies who together operate under the 'Peoplesafe' brand.

Peoplesafe operates in the Environmental Health & Safety (EHS) industry, providing employee safety solutions through our cloud-native and highly scalable software platform. Our software platform combines with our proprietary mobile application technology and a wide range of IOT devices to provide a comprehensive end-to-end safety solution to our customers. Our services are typically sold on a multi-year subscription model basis.

Peoplesafe's range of technology enabled solutions allow employers to offer protection to their employees, ranging from specialist solutions for workers in high risk and lone worker roles, through to everyday protection for professional, hybrid and remote workers, fulfilling a key component of employers' EHS requirements, regulatory obligations and customer and employee brand value commitments. Increasingly our solutions also support an effective recruitment and retention strategy for our customers.

Peoplesafe is one of the largest employee safety solution providers globally. When incidents occur, Peoplesafe can help to ensure the quickest response and best outcome through its purpose built software platform, which provides specific location data, personalised user information and individualised alarm escalation plans. Peoplesafe's service is underpinned by our BS EN 50518 accredited Alarm Receiving Centre (ARC), which provides a best-in-class service across the market and supports the fastest response to the incident by emergency services.

Our purpose as a business is to help people when incidents occur, in whatever situation that may be, and then to help our customers follow up and manage such incidents. Our primary focus is to do this through scalable software. In many cases, our business helps to save lives. We take this responsibility very seriously, we are proud of what we do, and we will continue to build additional capability to ensure our users remain safe 24 hours a day, 365 days a year.

Business review and strategy

Group revenue for the year grew by 10% to £19.5 million. The Group operates on a recurring revenue subscription model with over 95% of revenue being generated in this way.

The Group operates across both Private and Public sector customers and has historically focused on growing its position in employee safety solutions for companies and organisations looking to protect their high risk and lone worker roles where the services that Peoplesafe provides are typically considered to be critical to health and safety and non-discretionary in nature.

During FY23 the Group continued to grow in its core markets. Owning and controlling our technology platform allows us to offer a full end-to-end solution to our customers, be flexible to adapt to our customer's needs and to deliver superior financial performance.

Adjusted EBITDA for the year grew by 8% to £11.3 million. During the year the Group has made a significant investment in enhancing its software platform. This investment programme was completed in July 2023 with the release of our Nexus and Lighthouse software systems to our customers and internal teams. We believe these represent best-in-class industry solutions as part of the EHS ecosystem and provide Peoplesafe with a strong and scalable software platform to exploit future growth opportunities.

CRUSOE MIDCO LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Future developments

Over the last year we have begun leveraging our technology platform in new areas. We believe these have the potential to significantly expand our addressable market and that we are well positioned to leverage our brand and technology platform to exploit these opportunities.

- New channel partnerships, enabling a wider addressable market for enterprise customers
- The broader "all employee" safety market targeted at professional, hybrid and remote workers where we believe that employee safety and welfare is increasingly important to employers as part of their brand value commitments as well as supporting their legal duty of care to their staff
- Launch of an enhanced emergency mass notification system, providing a traceable critical communication solution for business continuity, a growing EHS requirement for businesses

In addition the Group continues to search for opportunities to acquire similar EHS businesses in the UK and overseas.

CRUSOE MIDCO LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Financial key performance indicators

Our key performance indicators are below:

	12 Month Period ended 31 March 2023 £'000	12 Month Period ended 31 March 2022 £'000
Turnover	19,517	17,735
Adjusted EBITDA	11,340	10,472

Adjusted EBITDA is calculated as Operating Loss excluding Depreciation, Amortisation, Interest, Tax and any costs not related to the day-to-day running of the business. These costs totalled £ 948,000 in 2023 (2022: £1,184,000).

Employee matters

The number of employees at 31 March 2023 was 121 (31 March 2022: 117). The Group is committed to employment policies which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The Group gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. The Group aims to recruit high calibre people to support our customer service ethos. We are committed to investing in the training and development of all employees to improve their knowledge and skills. The Group has an employee engagement programme with the aim of improving the working environment and engaging employees from all parts and levels of the business in developing and promoting our core people values – collaborative, pioneering, responsive, trust and passion.

CRUSOE MIDCO LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Principal risks and uncertainties

The directors have identified several operational risks that could have an impact on the business which are as follows:

Loss of major contracts

The risk of losing major contracts is mitigated by having a large number of customers of different sizes and operating in different sectors. The majority of customers are committed to long term contracts of between one and three years.

Service delivery

Any disruption to the delivery of our service poses a risk to the reputation of the Group and potential loss of business. Controls are in place to monitor the performance of the service and a robust disaster recovery and business continuity plan is in place to ensure that the service is resilient.

Currency risk

We are exposed to foreign currency risk on stock purchases which are denominated in US Dollars. The net exposure of each currency is monitored but no active management of this risk is currently undertaken as the level of exposure for the business as a whole is low.

Liquidity risk

As with any business there is a potential cash flow risk. The directors manage this risk through the business model, where customers are invoiced in advance. Furthermore, we complete regular cash flow analysis and forecasting and we monitor a rolling forecast of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs. As part of the Group's banking facilities, the Group has a £2.5 million revolving credit facility which is available to manage short term working capital requirements if needed.

Interest rate risk

Interest rates have risen significantly in the last year and market projections indicate that they may increase further. We have mitigated our exposure to rising interest rates by investing in hedging instruments which act to cap the maximum level of interest rates that the Group will pay on 80% of its bank loans. We monitor interest rates and the impact on interest payments on a regular basis as part of our cash flow analysis and forecasting and we believe that the remaining risk of rising interest rates and higher interest charges is not material to the business as a whole.

Recurrence of Coronavirus (COVID-19)

Management believe that the COVID-19 pandemic did not have a material effect on the Group's profitability and cashflow as a result of the Group's characteristics as having:

- predominantly recurring nature of revenues due to the Group's commercial model;
- perceived non-discretionary nature of the Group's products and services in its core markets; and
- low concentration and sector diversity of the Group's customer base.

Nevertheless management will continue to monitor the risk of recurrence of COVID-19 or similar operational risks and assess the need for mitigating actions if required.

CRUSOE MIDCO LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

This report was approved by the board on 5 September 2023 and signed on its behalf.

Naz Dossa

N Dossa
Director

CRUSOE MIDCO LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

The directors present their report and the financial statements for the year ended 31 March 2023.

Directors' Responsibilities Statement

The directors are responsible for preparing the Group 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 and profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

Results and dividends

The loss for the year, after taxation, amounted to £854,158 (2022 - loss £704,065).

The directors do not recommend the payment of a dividend (2022: Nil).

Directors

The directors who served during the year were:

T Wrenn
R A Houghton
J S J Murray Obodynski
N Dossa
C L Newman
J Williams

CRUSOE MIDCO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Going concern

The directors have assessed the ability of the Company to continue in operational existence for at least 12 months from the date of approval of these financial statements, following management's assessment and mitigation of the business risks associated with the Covid-19 pandemic. The directors do not consider that there to be any material uncertainties which may cast significant doubt about the Company's ability to continue as a going concern.

The directors have received written confirmation from the Company's parent company, Crusoe Topco Limited, confirming that they will provide financial support to the Company to enable it to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. On this basis, the directors have concluded that it is appropriate to adopt the going concern basis in preparing these financial statements.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as each director is aware, there is no relevant audit information of which the Company auditor is unaware, and
- each director has taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 5 September 2023 and signed on its behalf.

Naz Dossa

N Dossa
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRUSOE MIDCO LIMITED

Opinion

We have audited the financial statements of Crusoe Midco Limited (the 'Company') for the 31 March 2023, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as inflation and rise in interest rates, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRUSOE MIDCO LIMITED

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Responsibilities of directors

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRUSOE MIDCO LIMITED

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and industry in which it operates through our general commercial and sector experience, discussions with management, and inspection of legal correspondence. We determined that the following laws and regulations were most significant: FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', Companies Act 2006, relevant UK taxation laws.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the revaluation of the risk of management override of controls. Our audit procedures involve:
 - Evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud; and
 - Journal entry testing, with a focus on material journals.
- In addition, we completed audit procedures to conclude on the compliance of disclosures in the financial statements with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRUSOE MIDCO LIMITED

- Knowledge of the industry in which the client operates; and
 - Understanding of the legal and regulatory requirements specific to the entity.
- The team communications in respect of potential non-compliance with laws and regulations and fraud included the potential fraud in revenue recognition through the inflation of revenue.
- In assessing the potential risk of material misstatement, we obtained an understanding of:
 - The Company's operations, including the nature of its revenue sources, products and services to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risk of material misstatement; and
 - The Company's control environment, including:
 - o Management's knowledge of relevant laws and regulations and how the Company is complying with those laws and regulations;
 - o The adequacy of procedures for authorisation of transactions; and
 - o Procedures to ensure that possible breaches of law and regulations are appropriately resolved.

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

Use of our report

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

Grant Thornton UK LLP

Jonathan Oakey FCA (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Crawley
5 September 2023

CRUSOE MIDCO LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £	2022 £
Administrative expenses		(21,010)	(12,373)
Operating loss		<u>(21,010)</u>	<u>(12,373)</u>
Interest payable and expenses	5	(833,148)	(691,692)
Loss before tax		<u>(854,158)</u>	<u>(704,065)</u>
Tax on loss		-	-
Loss for the financial year		<u><u>(854,158)</u></u>	<u><u>(704,065)</u></u>
 Total comprehensive income for the year		 <u><u>(854,158)</u></u>	 <u><u>(704,065)</u></u>

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

The notes on pages 15 to 22 form part of these financial statements.

CRUSOE MIDCO LIMITED
REGISTERED NUMBER: 11652868

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	6	2	2
		<u>2</u>	<u>2</u>
Current assets			
Debtors: amounts falling due within one year	7	6,948,009	6,951,432
Cash at bank and in hand	8	1,982	10,000
		<u>6,949,991</u>	<u>6,961,432</u>
Creditors: amounts falling due within one year	9	(983,575)	(974,005)
Net current assets		<u>5,966,416</u>	<u>5,987,427</u>
Total assets less current liabilities		<u>5,966,418</u>	<u>5,987,429</u>
Creditors: amounts falling due after more than one year	10	(9,164,623)	(8,331,476)
Net liabilities		<u>(3,198,205)</u>	<u>(2,344,047)</u>
Capital and reserves			
Called up share capital	12	1	1
Profit and loss account		(3,198,206)	(2,344,048)
		<u>(3,198,205)</u>	<u>(2,344,047)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5 September 2023.

J. Williams

J Williams
Director

The notes on pages 15 to 22 form part of these financial statements.

CRUSOE MIDCO LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2022	1	(2,344,048)	(2,344,047)
Comprehensive income for the year			
Loss for the year	-	(854,158)	(854,158)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(854,158)	(854,158)
Total transactions with owners	-	-	-
At 31 March 2023	1	(3,198,206)	(3,198,205)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2021	1	(1,639,983)	(1,639,982)
Comprehensive income for the year			
Loss for the year	-	(704,065)	(704,065)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(704,065)	(704,065)
Total transactions with owners	-	-	-
At 31 March 2022	1	(2,344,048)	(2,344,047)

The notes on pages 15 to 22 form part of these financial statements.

CRUSOE MIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. General information

Crusoe Midco Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at Emerald House, East Street, Epsom, Surrey, England, KT17 1HS.

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 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's accounting policies.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

the requirements of Section 7 Statement of Cash Flows;

the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);

the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;

the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Crusoe Topco Limited as at 31 March 2023 and these financial statements may be obtained from Emerald House, East Street, Epsom, England, KT17 1 HS.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

CRUSOE MIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)**2.4 Going concern**

The directors have assessed the ability of the Company to continue in operational existence for at least 12 months from the date of approval of these financial statements, following management's assessment and mitigation of the business risks associated with the Covid-19 pandemic. The directors do not consider that there to be any material uncertainties which may cast significant doubt about the Company's ability to continue as a going concern.

The directors have received written confirmation from the Company's parent company, Crusoe Topco Limited, confirming that they will provide financial support to the Company to enable it to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. On this basis, the directors have concluded that it is appropriate to adopt the going concern basis in preparing these financial statements.

2.5 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.

2.6 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 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.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 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.

CRUSOE MIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.11 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, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Auditor's remuneration

Fees payable to the Company's auditors and its associates for the audit of the Company's annual financial statements £6,768 (2022: £4,500).

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

The audit fee for the Company has been borne by a group undertaking, Skyguard Limited, in the current and prior year.

CRUSOE MIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

4. Employees

The average monthly number of employees, including the directors, during the period was 6 (2022: 5).

The Company has no employees other than the directors, who did not receive any remuneration from the Company (2022: £nil)

5. Interest payable and similar expenses

	2023 £	2022 £
Interest payable on loan notes	<u>833,148</u>	<u>691,692</u>

6. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 April 2022	<u>2</u>
At 31 March 2023	<u>2</u>
Net book value	
At 31 March 2023	<u><u>2</u></u>

CRUSOE MIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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6. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Crusoe Bidco Limited	Emerald House, East Street, Epsom, Surrey, England, KT17 1HS	Ordinary	100%
Send for Help Limited*	Emerald House, East Street, Epsom, Surrey, England, KT17 1HS	Ordinary	100%
Skyguard Limited*	Emerald House, East Street, Epsom, Surrey, England, KT17 1HS	Ordinary	100%
Guardian24 Limited*	The Mount Business Centre, 2 Woodstock Link, Belfast, BT6 8DD	Ordinary	100%
Rocksure Systems Ltd*	Emerald House, East Street, Epsom, Surrey, England, KT17 1HS	Ordinary	100%
Crusoe EBT & Nominee Limited	Emerald House, East Street, Epsom, Surrey, England, KT17 1HS	Ordinary	100%
Alertcom Limited*	Emerald House, East Street, Epsom, Surrey, England, KT17 1HS	Ordinary	100%
Peoplesafe Limited*	Emerald House, East Street, Epsom, Surrey, England, KT17 1HS	Ordinary	100%
The Safe Shores Group Limited*	213 St. Vincent Street, Glasgow, Scotland, G2 5QY	Ordinary	100%
Safe Shores Monitoring Limited*	213 St. Vincent Street, Glasgow, Scotland, G2 5QY	Ordinary	100%

* indirectly held

CRUSOE MIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

7. Debtors

	2023 £	2022 £
Amounts owed by group undertakings	6,945,604	6,949,144
Prepayments and accrued income	2,405	2,288
	<u>6,948,009</u>	<u>6,951,432</u>

Amounts owed by group undertakings are unsecured, interest-free and repayable on demand.

8. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	1,982	10,000
	<u>1,982</u>	<u>10,000</u>

9. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	18,000	-
Amounts owed to group undertakings	965,575	949,505
Accruals and deferred income	-	24,500
	<u>983,575</u>	<u>974,005</u>

Amounts owed to group undertakings are unsecured, interest-free and repayable on demand

10. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Loan notes	9,164,623	8,331,476
	<u>9,164,623</u>	<u>8,331,476</u>

CRUSOE MIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. Loans

Analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due 2-5 years		
Loan notes	<u>9,164,623</u>	<u>8,331,476</u>

Loan notes of £6.1m (2022: £6.1m) were utilised during the period. The Loan notes attract an interest rate of 10%, interest is rolled up and the loan notes mature on 4 December 2026. The balance of the loan notes at the period end, including accrued interest, amounts to £9.2m (2022: £8.3m).

The loan notes are secured by a fixed and floating charge over the assets of the Company. Cross guarantees have been provided by all other companies in the group.

12. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
1 (2022 - 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

13. Related party transactions

On 6 December 2018, Crusoe Bidco Limited, a subsidiary of the Company, purchased 100% of the share capital of Send For Help Limited. The purchase of Send For Help Limited was backed by majority investors, ECI Partners LLP acting in its capacity as manager of ECI 11 LP, along with a number of members of the management team.

As part of this transaction, the Company issued loan notes to ECI 11 LP. The loan notes issued attract an annual coupon of 10%. As at 31 March 2023, loan notes with a total value of £6.1m have been issued, with accrued interest of £3.1 (2021: £2.3m).

As part of this transaction, the Company acquired loan notes from its subsidiary, Crusoe Bidco Limited, which were held by members of the management team. These loan notes were subsequently sold to the Company's parent company, Crusoe Topco Limited.

As a wholly owned subsidiary of Crusoe Topco Limited, the Company is exempt under FRS102.33.1A from the requirement to disclose transactions with other wholly owned members of the group headed by Crusoe Topco Limited.

CRUSOE MIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. Post balance sheet events

On 28 August 2023, a newly formed limited company, Peoplesafe Personal Safety Limited, a company registered in Canada, was incorporated as a 100% indirectly owned subsidiary. On 31 August 2023, Peoplesafe Personal Safety Limited subscribed for 100% of the share capital of Trusty Ox Systems Limited, a company registered in Canada which provide employee safety solutions. Following the subscription, Trusty Ox Systems Limited was amalgamated into Peoplesafe Personal Safety Limited. The consideration totalled £3.2 million, of which amounts totalling £2.7 million were paid in cash and amounts totalling £0.5 million were payable contingent on the outcome of certain events. A further deferred consideration payment which is wholly contingent on business growth may become payable in August 2024. A full disclosure of the acquisition will be included in next year's financial statements.

There have been no other significant events affecting the Group since the year end.

15. Controlling party

100% of the share capital of the Company is owned by Crusoe Topco Limited. Crusoe Topco Limited is controlled by ECI 11 LP, a limited partnership established in England and Wales.

The smallest and largest group to consolidate these financial statements is Crusoe Topco Limited. Crusoe Topco Limited is incorporated in England and Wales.

The ultimate controlling party is ECI 11 LP.