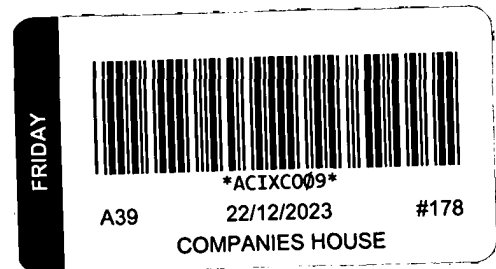


Registered number: 13426782

CONIC MIDCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023



CONIC MIDCO LIMITED

COMPANY INFORMATION

Directors	B J Howard P R F Mauguy
Registered number	13426782
Registered office	Beaufort House Cricket Field Road Uxbridge Middlesex UB8 1QG
Independent auditors	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 30 Finsbury Square London EC2A 1AG

CONIC MIDCO LIMITED

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CONIC MIDCO LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

Business Review and future developments

Conic Midco Limited is an intermediary holding company trading through its key subsidiaries (Orbis Protect Limited, Optosafe Limited, Veritas Property Management Limited and Secure Site UK Limited) which are market leading national providers of property, site and people protection services across a range of sectors in the UK. The Group provides a complete void property management service for commercial and social housing properties including alarm monitoring and lone worker protection through our BS5979 Cat II and BS8484 accredited Alarm Receiving Centre and specialist cleaning and infection control services to customers across the private and public sectors.

During the year two businesses were acquired to complement and enhance the range of technology products and services as well as geographical coverage provided by the Group to its customers. Veritas Property Management Limited was acquired in August 2022 and Secure Site UK (and its subsidiaries) was acquired in February 2023. Through the synergy of services, the combined Group is optimally positioned to deliver market leading services to its customers with an improved offering and increase resource enhancing the customer experience and accelerating innovation.

As an intermediary holding company, the Company holds investments in subsidiaries and inter-company funding balances. The ultimate holding company, Conic Topco Limited, has confirmed that funds will continue to be made available with no repayment anticipated in the foreseeable future.

Key performance indicators and risk uncertainties

The directors do not believe that KPI's are necessary for an understanding of the business.

The principal risks and uncertainties are those applicable to the Group and are disclosed in the accounts of the ultimate parent company, Conic Topco Limited.

Future developments

The entity will continue to operate as an intermediary holding company.

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

The entity is an intermediary holding company, refer to Conic Topco Limited accounts for information regarding the directors' statement.

This report was approved by the board on 20/12/2023 and signed on its behalf.



B J Howard
Director

CONIC 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.

Results and dividends

The loss for the year, after taxation, amounted to £5,140,290 (2022: *loss* £2,431,988).

No dividend has been paid during the period and the Board is not recommending a final dividend for the period ended 31 March 2023.

Directors

The directors who served during the year and after year end were:

B J Howard
P R F Mauguy
S G Owens (resigned 13 January 2023)

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 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 judgements and accounting estimates that are reasonable and prudent;
- 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 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 may differ from legislation in other jurisdictions.

CONIC MIDCO LIMITED

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

Going concern

Conic Midco Limited is an intermediary holding company. Going concern has been considered on a group basis. The Group's business activities, together with the factors likely to affect its future development and position, are set out above and in more detail in the accounts of the ultimate parent company, Conic Topco Limited. The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of not less than 12 months from the approval of these financial statements.

As part of a wider group structure simplification process, the directors intend to place Project Cube Topco Limited, Project Cube Bidco Limited, Optosafe Holdings Limited, Optosafe Limited, Optotronics Limited and Veritas Property Management Limited into liquidation. The trade and assets of Optosafe Limited and Veritas Property Management Limited were hived up into Orbis Protect Limited, a wholly owned subsidiary of Conic Topco Limited.

Management has prepared a going concern assessment with forecasts to 31 March 2025 that have also been sensitised to reflect plausible downside scenarios as a result of rising inflation and general economic pressures which have been reviewed by the directors. These demonstrate the Group is forecast to generate positive EBITDA and cash in the year ending 31 March 2024 and beyond and that the Group has sufficient cash reserves to enable the Group to meet its obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements.

The forecasts and the resulting ability of the Group to meet its obligations, are conservative in their growth assumptions and are based on achieving similar revenue increases as in the year ending March 2023. It is likely that the Group will out-perform these forecasts particularly as the full year benefit of the acquired businesses and related synergies will be fully reflected in the financial performance for the year ending March 2024.

Although the Group presented a loss in the year ending March 2023 this is due to the debt structure and associated loan interest obligations in place to support strategic acquisitions and long-term growth. Key trading profit measures used by management (gross profit and EBITDA) continue to demonstrate year-on-year improvement and the losses are forecast to decrease year-on-year as the business continues to grow.

At the year end, the Group had a £57.4 million term loan and a £3.0 million revolving credit facility (RCF) in place of which £2.5 million had been utilised.

The key banking covenant in place is leverage and the forecast, including the sensitised forecasts, do not indicate that they will be breached within the going concern assessment period to 31 March 2025. The covenants were reviewed post year end to ensure suitability and relevance for the larger Group as a result of which covenant levels were amended with the key covenant test remaining as leverage. As such, the directors are satisfied that the Group has adequate resources to continue to operate during the going concern assessment period to 31 March 2025 and no material uncertainties exist that may cast significant doubt over the Group's ability to continue as a going concern.

The directors therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements and no material uncertainties have been identified.

A letter of support has been received from Conic Topco Limited confirming they will continue to provide financial support and help the Company settle its liabilities as they fall due for a period of at least 12 months from the signing of these financial statements, if required.

Directors' indemnities

All the directors noted above benefited from qualifying third-party indemnity provisions in place during the year and at the date of this report. Conic Topco Limited also provided qualifying third-party indemnity provisions to certain of the directors above where they were also directors of subsidiary companies during the financial year and at the date of this report.

CONIC MIDCO LIMITED

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

Disclosure of information to auditors

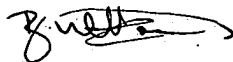
The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have 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's auditor is aware of that information.

Auditors

The auditors, 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 20/12/2023 and signed on its behalf.



B J Howard
Director



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CONIC MIDCO LIMITED

Opinion

We have audited the financial statements of Conic Midco Limited (the 'Company') for the year, 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 the cost of living crisis driven by high inflation, 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.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CONIC MIDCO LIMITED (CONTINUED)

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.

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 Annual Report, other than the financial statements and our Auditors' 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.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CONIC MIDCO LIMITED (CONTINUED)

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 set out on page 2, 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.

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.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CONIC MIDCO LIMITED (CONTINUED)

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 Auditors' 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 that are applicable to the company and determined the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006;
- We understood how the company is complying with those legal and regulatory frameworks by making enquiries of management and those charged with governance. We corroborated our enquiries through our review of board minutes and other relevant correspondence received from legal advisors and regulatory bodies;
- We also enquired of management and those charged with governance concerning the company's policies and procedures relating to the identification, evaluation, detection and response to the risks of fraud and the establishment of internal controls to mitigate risks related to fraud. We enquired as to whether they had any knowledge of actual, suspected or alleged fraud;
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by considering management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risk was through management override of controls;
- Audit procedures performed by the audit team included:
 - identifying and assessing the design and implementation of controls management utilises to prevent and detect fraud;
 - challenging key assumptions used and judgements made by management in relation to significant accounting estimates;
 - identifying and testing large or unusual journal entries which may carry a higher risk of fraud;
 - assessing the extent of compliance with the relevant laws and regulations as part of our audit procedures on the related financial statement item; and
 - performing audit procedures to conclude on the compliance of disclosures in the financial statements with applicable financial reporting requirements.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CONIC MIDCO LIMITED (CONTINUED)

- 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 engagement partner's 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;
 - knowledge of the industry in which the client operates;
 - understanding of relevant legal and regulatory requirements specific to the entity;
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 Auditors' 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 Auditors' 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

Elizabeth Collins BSc(Hons) ACA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
Date: 20/12/2023

CONIC MIDCO LIMITED

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

	Note	2023 £	<i>As restated</i> 2022 £
Interest receivable and similar income		1,900,045	1,355,608
Interest payable and similar expenses	7	(7,040,335)	(3,787,596)
Loss before tax		<u>(5,140,290)</u>	<u>(2,431,988)</u>
Tax on loss	8		
Loss for the financial year/ period		<u>(5,140,290)</u>	<u>(2,431,988)</u>
Other comprehensive loss for the year/ period			
Total comprehensive loss for the year/ period		<u>(5,140,290)</u>	<u>(2,431,988)</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 13 to 22 form part of these financial statements.

CONIC MIDCO LIMITED
REGISTERED NUMBER:13426782

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

		2023 £	As restated 2022 £
Fixed assets			
Investments	9	546,415	546,415
		<u>546,415</u>	<u>546,415</u>
Current assets			
Debtors: amounts falling due within one year	10	126,848,598	52,963,128
		<u>126,848,598</u>	<u>52,963,128</u>
Creditors: amounts falling due within one year	11	(81,797,356)	(18,604,223)
		<u>45,051,242</u>	<u>34,358,905</u>
Net current assets		<u>45,051,242</u>	<u>34,358,905</u>
Total assets less current liabilities		<u>45,597,657</u>	<u>34,905,320</u>
Creditors: amounts falling due after more than one year	12	(52,623,520)	(36,790,893)
		<u>(7,025,863)</u>	<u>(1,885,573)</u>
Net liabilities		<u>(7,025,863)</u>	<u>(1,885,573)</u>
Capital and reserves			
Called up share capital	14	546,415	546,415
Profit and loss account		(7,572,278)	(2,431,988)
		<u>(7,025,863)</u>	<u>(1,885,573)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20/12/2023



B J Howard
Director

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

CONIC 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	546,415	(2,431,988)	(1,885,573)
Comprehensive income for the year			
Loss for the year	-	(5,140,290)	(5,140,290)
Total comprehensive income for the year	-	(5,140,290)	(5,140,290)
At 31 March 2023	<u>546,415</u>	<u>(7,572,278)</u>	<u>(7,025,863)</u>

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Comprehensive income for the period			
Loss for the period	-	(2,431,988)	(2,431,988)
Total comprehensive income for the period	-	(2,431,988)	(2,431,988)
Shares issued during the period	546,415	-	546,415
Total transactions with owners	546,415	-	546,415
At 31 March 2022	<u>546,415</u>	<u>(2,431,988)</u>	<u>(1,885,573)</u>

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

CONIC MIDCO LIMITED

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

1. General information

Conic Midco Limited is a private company limited by shares and incorporated in England and Wales. Its registered office is located at Beaufort House, Cricket Field Road, Uxbridge, Middlesex, England, UB8 1QG.

The principal activity of this Company is holding in nature and it does not engage in trading activities.

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 Company's financial statements are presented in Sterling and all values are rounded to the nearest pound (£) except when other wise stated.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

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 33 Related Party Disclosures paragraph 33.7.

The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the Company as an individual entity and not about its group.

This information is included in the consolidated financial statements of Conic Topco Limited as at 31 March 2023 and these financial statements may be obtained from Beaufort House, Cricket Field Road, Middlesex, United Kingdom, UB8 1QG.

CONIC MIDCO LIMITED

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

2. Accounting policies (continued)**2.3 Going concern**

Conic Midco Limited is an intermediary holding company. Going concern has been considered on a group basis. The Group's business activities, together with the factors likely to affect its future development and position, are set out above and in more detail in the accounts of the ultimate parent company, Conic Topco Limited. The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of not less than 12 months from the approval of these financial statements.

As part of a wider group structure simplification process, the directors intend to place Project Cube Topco Limited, Project Cube Bidco Limited, Optosafe Holdings Limited, Optosafe Limited, Optotronics Limited and Veritas Property Management Limited into liquidation. The trade and assets of Optosafe Limited and Veritas Property Management Limited were hived up into Orbis Protect Limited, a wholly owned Subsidiary of Conic Topco Limited, with effect from 1st April 2023. A similar exercise will be completed for the remaining entities listed here.

Management has prepared a going concern assessment with forecasts to 31 March 2025 that have also been sensitised to reflect plausible downside scenarios as a result of rising inflation and general economic pressures which have been reviewed by the directors. These demonstrate the Group is forecast to generate positive EBITDA and cash in the year ending 31 March 2024 and beyond and that the Group has sufficient cash reserves to enable the Group to meet its obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements.

The forecasts and the resulting ability of the Group to meet its obligations, are conservative in their growth assumptions and are based on achieving similar revenue increases as in the year ending March 2023. It is likely that the Group will out-perform these forecasts particularly as the full year benefit of the acquired businesses and related synergies will be fully reflected in the financial performance for the year ending March 2024.

Although the Group presented a loss in the year ending March 2023 this is due to the debt structure and associated loan interest obligations in place to support strategic acquisitions and long-term growth. Key trading profit measures (gross profit and EBITDA) continue to demonstrate year-on-year improvement and the losses are forecast to decrease year-on-year as the business continues to grow.

At the year end, the Group had a £57.4 million term loan and a £3.0 million revolving credit facility (RCF) in place of which £2.5 million had been utilised.

The key banking covenant in place is leverage and the forecast, including the sensitised forecasts, do not indicate that they will be breached within the going concern assessment period to 31 March 2025. The covenants were reviewed post year end to ensure suitability and relevance for the larger Group as a result of which covenant levels were amended with the key covenant test remaining as leverage. As such, the directors are satisfied that the Group has adequate resources to continue to operate during the going concern assessment period to 31 March 2025 and no material uncertainties exist that may cast significant doubt over the Group's ability to continue as a going concern.

The directors therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements and no material uncertainties have been identified.

A letter of support has been received from Conic Topco Limited confirming they will continue to provide financial support and help the Company settle its liabilities as they fall due for a period of at least 12 months from the signing of these financial statements, if required.

CONIC MIDCO LIMITED

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

2. Accounting policies (continued)**2.4 Interest income**

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

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 profit or loss in the year in which they are incurred.

2.7 Taxation

Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 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.

2.10 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.

CONIC 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.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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.

CONIC MIDCO LIMITED

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

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The investment in Conic Bidco Limited is held on the Statement of Financial Position. This investment value is subject to an annual review for indicators of impairment. Judgement exists in determining if indicators of impairment are present. If indicators are identified, an impairment review is performed. This analysis involves several estimates and assumptions around future cash flows and applicable discount rates. A change in these estimates could impact the carrying value and any related impairment loss. If applicable, recognised during the period. In the year ended 31 March 2023 there were no loss on impairment of investments in subsidiaries.

4. Auditors' remuneration

Audit fees of £12,000 (2022: £10,558) for the year ended 31 March 2023 were borne by the fellow group member, Orbis Protect Limited.

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

5. Employees

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

6. Interest receivable

	2023 £	As restated 2022 £
Other interest receivable	<u>1,900,045</u>	<u>1,355,608</u>

7. Interest payable and similar expenses

	2023 £	As restated 2022 £
Bank loan interest payable	6,411,289	3,787,596
Fair value movement on financial instrument	629,046	-
	<u>7,040,335</u>	<u>3,787,596</u>

CONIC MIDCO LIMITED

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

8. Taxation

	2023 £	2022 £
	<hr/>	<hr/>
Total current tax	-	-
	<hr/>	<hr/>
Deferred tax		
	<hr/>	<hr/>
Total deferred tax	-	-
	<hr/>	<hr/>
Taxation on profit on ordinary activities	-	-
	<hr/>	<hr/>

Factors affecting tax charge for the year/period

The tax assessed for the year/period is the same as (2022: *the same as*) the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below:

	2023 £	2022 £
Loss on ordinary activities before tax	(5,140,290)	(2,431,988)
	<hr/>	<hr/>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022: 19%)	(976,655)	(462,078)
Effects of:		
Expenses not deductible for tax purposes	976,655	158,493
Group relief surrendered	-	303,585
	<hr/>	<hr/>
Total tax charge for the year/period	-	-
	<hr/>	<hr/>

Factors that may affect future tax charges

The Finance Bill 2021 was substantively enacted on 10 June 2021, as a result the main rate of corporation tax will rise from 19% to 25% from 1 April 2023. On this basis deferred tax has been calculated at the future rate of 25%.

CONIC MIDCO LIMITED

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

9. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2022	546,415
At 31 March 2023	546,415

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Conic Bidco Limited *	Beaufort House, Cricket Field Road, Uxbridge, Middlesex, England, UB8 1QG	Ordinary	100%
Project Cube Topco Limited	Beaufort House, Cricket Field Road, Uxbridge, Middlesex, England, UB8 1QG	Ordinary	100%
Project Cube Bidco Limited	Beaufort House, Cricket Field Road, Uxbridge, Middlesex, England, UB8 1QG	Ordinary	100%
Orbis Protect Limited	Beaufort House, Cricket Field Road, Uxbridge, Middlesex, England, UB8 1QG	Ordinary	100%
Optotronics Limited	15 Spiersbridge Way, Thornliebank, Glasgow, Scotland, G46 8NG	Ordinary	100%
Optosafe Limited	15 Spiersbridge Way, Thornliebank, Glasgow, Scotland, G46 8NG	Ordinary	100%
Optosafe Holdings Limited	15 Spiersbridge Way, Thornliebank, Glasgow, Scotland, G46 8NG	Ordinary	100%
Veritas Property Management Limited	The Threshing Barn Cowage Farm, Foxley, Malmesbury, Wiltshire, SN16 0JH	Ordinary	100%
Secure Site UK Limited	Beaufort House, Cricket Field Road, Uxbridge, Middlesex, England, UB8 1QG	Ordinary	100%

* Investment in Conic Bidco Limited is a direct holding of Conic Midco Limited; the remainder are indirect holdings.

CONIC MIDCO LIMITED

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

10. Debtors

	2023	<i>As restated</i>
	£	<i>2022</i>
		£
Amounts owed by group undertakings	103,634,085	<i>34,486,520</i>
Other debtors	22,835,467	<i>18,476,608</i>
Financial instruments	379,046	<i>-</i>
	<u>126,848,598</u>	<i><u>52,963,128</u></i>

The amount owed by group undertaking includes £17.1 million of £1 unsecured loan notes which bear 10% interest compounded annually. The loan is due to mature in June 2029. The value of accrued interest on loan notes is £3.1 million. The remaining amounts owed to Group undertakings are unsecured, bear no interest and are repayable on demand.

11. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Amounts owed to group undertakings	58,461,163	<i>-</i>
Other creditors	22,835,467	<i>18,476,608</i>
Accruals and deferred income	500,726	<i>127,615</i>
	<u>81,797,356</u>	<i><u>18,604,223</u></i>

The amount owed by group undertaking includes £17.1 million of £1 unsecured loan notes which bear 10% interest compounded annually. The loan is due to mature in June 2029. The value of accrued interest on the loan notes is £3.1 million. The remaining amounts owed to Group undertakings are unsecured, bear no interest and are repayable on demand.

CONIC MIDCO LIMITED

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

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

	2023 £	As restated 2022 £
Bank loans	36,523,520	36,790,893
Other loans	16,100,000	-
	<u>52,623,520</u>	<u>36,790,893</u>

The Companies bank loan comprise facilities on the following terms:

A £38 million term loan was entered into on 14th June 2021 maturing and repayable in full on 14th June 2028 at an interest rate of SONIA + 5.75% (0.5% Floor). The bank loan is secured by way of a fixed and floating charge over the assets of the Group.

A £15 million term loan was entered into on 27th June 2022 maturing and repayable in full on 28th June 2028 at an interest rate of SONIA + 5.75% (0.5% Floor). A £16.0 million incremental loan facility was entered into on 22nd September 2022 which has had £4.4 million draw down maturing and repayable in full on 28th June 2028 at an interest rate of SONIA + 5.75% (0.5% Floor).

The Group undertook a review of its interest rate hedging strategy in September 2022 and assessed the impact of various interest rate increases on the ability of the Group to meet its interest payment and covenant obligations. As a result of this review and in the face of further predicted interest rate increases, the Group has partially hedged the interest rate risk via the implementation of an interest rate cap arrangement. This arrangement was put in place on 12th September 2022 for a two year period. The Board considers this to be appropriate for the current business and is confident that the Group will be able to meet its obligations and covenants.

The carrying value of the bank loan is presented net of transaction costs of £1,476,000 which are being amortised over the term of the loan.

13. Loans

Analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due after more than one year		
Bank loans	36,523,520	36,790,893
Other loans	16,100,000	-
	<u>52,623,520</u>	<u>36,790,893</u>

CONIC MIDCO LIMITED

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

14. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
546,415 (2022: 546,415) Ordinary shares of £1 each	546,415	546,415

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

15. Related parties

Transactions with related parties which are wholly owned subsidiaries of the Company's ultimate parent undertaking have not been disclosed as permitted by section 33 of FRS 102.

16. Prior year adjustment

The prior year adjustment relates to £17.1 million of loan notes issued at 10% interest over a ten year period which funded the immediate subsidiaries of Conic Topco Limited with the ultimate loan note held in Orbis Protect Limited, the holding company of the newly acquired businesses (Veritas Property Management Limited and Secure Site UK Limited).

In the accounts of Conic Midco Limited loan notes were issued in exchange for Conic Bidco Limited loan notes resulting in an adjustment of £17.1 million of loan notes receivable and payable. Interest of £1.4 million receivable and payable is also included as a prior period adjustment in the balance sheet.

FY 22 (Restatement)

Loan note receivable	17,121,000
Loan note payable	(17,121,000)
Interest income	(1,355,608)
Interest expense	1,355,608
Interest receivable	1,355,608
Interest payable	(1,355,608)

17. Controlling party

The Company's immediate parent company is Conic Topco Limited. The registered office of Conic Topco Limited is Beaufort House, Cricket Field Road, Uxbridge, Middlesex, United Kingdom, UB8 1QG.

At the year end date, the Company's ultimate controlling party was Synova Fund IV LP.