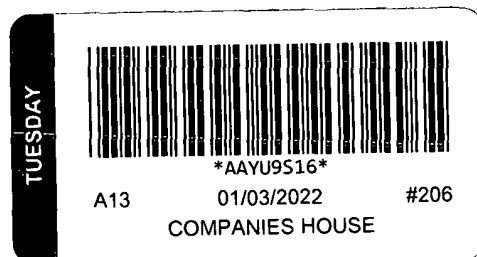


COUGAR MONITORING LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE 9 MONTHS ENDED 31 DECEMBER 2020**



COMPANY INFORMATION

DIRECTORS

GPL Zeidler Chairman
RC Fisher
RD Forsyth
DE Foster
DS Gamage
CJ Goode

COMPANY SECRETARY

GA Kehoe

REGISTERED OFFICE

4 St Dunstons Technology Park
Ripley Street
Bradford
BD4 7HH

BANKERS

Barclays Bank plc
2nd Floor
1 Park Row
Leeds
LS1 5AB

DIRECTORS' REPORT (CONTINUED)

The directors present their annual report and financial statements for the 9 months ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activity of the company continues to be that of the provision of security CCTV and intruder alarm monitoring services and the provision of security guarding staff, key holding and mobile patrols.

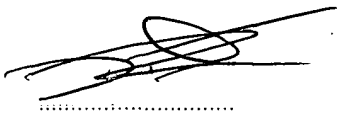
DIRECTORS

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

GPL Zeidler	(Chairman – appointed 5 January 2021)
RC Fisher	
RD Forsyth	(Appointed 5 January 2021)
DE Foster	(Appointed 5 January 2021)
DS Gamage	(Appointed 5 January 2021)
CJ Goode	(Appointed 26 January 2022)
MC Bennett	(Resigned 5 January 2021)
BA Stiefel	(Resigned 5 January 2021)

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



R Forsyth
Director

Date: 25 February 2022

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing 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 period. 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). 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 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.

INCOME STATEMENT
For the 9 months ended 31 December 2020

		9 months ended 31 December 2020 £'000 (Unaudited)	Year ended 31 March 2020 £'000 (Restated)
	Notes		
TURNOVER	2	1,779	3,081
Cost of sales		(1,348)	(2,095)
GROSS PROFIT		431	986
Exceptional administrative expenses		(132)	-
Other administrative expenses		(846)	(873)
Administrative expenses		(979)	(873)
Other operating income – furlough grants received	3	40	24
OPERATING (LOSS)/PROFIT		(508)	137
Interest payable and similar expenses		(40)	(31)
(LOSS)/PROFIT BEFORE TAXATION		(548)	106
Taxation		-	-
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD		(548)	106

STATEMENT OF FINANCIAL POSITION
As at 31 December 2020

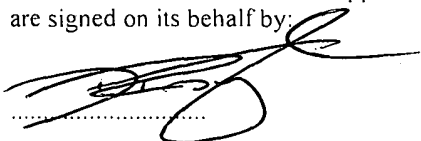
	Note	31 December 2020 £'000 (Unaudited)	31 March 2020 £'000 (Restated)
FIXED ASSETS			
Tangible fixed assets	7	1,681	1,691
		<u>1,680</u>	<u>1,691</u>
CURRENT ASSETS			
Debtors	8	299	754
Cash at bank and in hand		-	1
		<u>299</u>	<u>755</u>
CREDITORS: amounts falling due within one year	9	(1,030)	(954)
NET CURRENT ASSETS/(LIABILITIES)		<u>(732)</u>	<u>(199)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		949	1,492
CREDITORS: amounts falling due after more than one year	10	(441)	(391)
PROVISIONS FOR LIABILITIES			
Deferred tax		(76)	(76)
Accruals and deferred income	2, 12	(557)	(602)
NET (LIABILITIES)/ASSETS		<u>(125)</u>	<u>423</u>
CAPITAL AND RESERVES:			
Called-up share capital		-	-
Share premium account		247	247
Revaluation reserve		239	243
Profit and loss reserves	2	(611)	(67)
SHAREHOLDERS' FUNDS		<u>(125)</u>	<u>423</u>

For the period ended 31 December 2020 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved by the board of directors and authorised for issue on 25 February 2022 and are signed on its behalf by:



R Forsyth
Director

STATEMENT OF CHANGES IN EQUITY
As at 31 December 2020

	Share capital £'000	Share premium £'000	Revaluation reserve £'000	Profit and loss reserves £'000	Total £'000
BALANCE AT 1 APRIL 2019 (restated)	-	247	247	(172)	322
YEAR ENDED 31 MARCH 2020					
Profit for the year	-	-	-	106	106
Surplus depreciation on revalued assets	-	-	(4)	4	-
Deferred tax change in rates	-	-	-	(5)	(5)
BALANCE AT 31 MARCH 2020 (restated)	-	247	243	(67)	423
9 MONTHS ENDED 31 DECEMBER 2020					
Loss for the period	-	-	-	(548)	(548)
Surplus depreciation on revalued assets	-	-	(4)	4	-
BALANCE AT 31 DECEMBER 2020	-	247	239	(611)	(125)

NOTES TO THE FINANCIAL STATEMENTS
For the 9 months ended 31 December 2020

1. JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

There are no estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

2. MEASUREMENT OF MONITORING AND KEYHOLDING REVENUES

The company's previous basis of measurement of revenues on keyholding contracts was to recognise revenues at the point of invoicing. This basis of measurement has been changed so that revenues are now recognised evenly over the entire life of the contract. The new basis provides a more reliable method for recognising monitoring contract revenues and in the directors' view the change in basis is material to the financial statements.

The company's basis of measurement of revenues on monitoring contracts is to recognise revenues evenly over the entire life of the contract. Following the change in ownership of the business, a review of the historic calculations of deferred income have highlighted a material understatement in prior financial periods.

The impact of the change in accounting policy for measurement of revenues on keyholding contracts and the correction of the understatement of deferred revenues on monitoring contracts on the comparative figures is as follows:

Income statement

	Year ended 31 March 2020		
	As previously reported £'000	Adjustment £'000 (Unaudited)	As restated £'000
Turnover	2,983	98	3,081

Statement of financial position

	At 31 March 2019			At 31 March 2020		
	As previously reported £'000	Adjustment £'000	As restated £'000	As previously reported £'000	Adjustment £'000	As restated £'000
Provisions						
Accruals and deferred income	377	401	778	299	303	602
Capital and reserves						
Profit and loss reserves	229	(401)	(172)	236	(303)	(67)

NOTES TO THE FINANCIAL STATEMENTS
For the 9 months ended 31 December 2020

3. OTHER OPERATING INCOME

	December 2020 £'000 (9 months) (Unaudited)	March 2020 £'000
Rents receivable	18	24
Furlough grants received	17	-
	<u>35</u>	<u>24</u>

4. EXCEPTIONAL ADMINISTRATIVE EXPENSES

	December 2020 £'000 (9 months) (Unaudited)	March 2020 £'000
Restructuring costs	132	-

5. EMPLOYEES

The average number of employees, including directors, during the period was 66 (March 2020: 78).

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	December 2020 £'000 (9 months) (Unaudited)	March 2020 £'000
Bank interest payable	-	3
Mortgage interest payable	13	21
Finance leases and hire purchase contracts	28	6
Other interest payable	-	1
	<u>41</u>	<u>31</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the 9 months ended 31 December 2020

7. TANGIBLE FIXED ASSETS

	Freehold property £'000 (Unaudited)	Fixtures & fittings £'000 (Unaudited)	Computer equipment £'000 (Unaudited)	Total £'000 (Unaudited)
Cost				
At 1 April 2020	1,597	164	843	2,604
Additions	3	-	45	48
At 31 December 2020	1,600	164	888	2,652
Depreciation and impairment				
At 1 April 2020	123	92	698	913
Depreciation charged for the period	18	4	36	58
At 31 December 2020	141	96	734	971
Carrying amount				
At 31 December 2020	1,459	68	154	1,681
At 31 March 2020	1,474	72	145	1,691

8. DEBTORS

	December 2020 £'000 (9 months) (Unaudited)	March 2020 £'000
Trade debtors	203	455
Amounts owed by related party undertakings	3	110
Other debtors	-	3
Prepayments and accrued income	93	186
	299	754

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	December 2020 £'000 (9 months) (Unaudited)	March 2020 £'000
Bank overdrafts	98	46
Bank loans	163	50
Trade creditors	240	479
Amounts owed to related party undertakings	50	54
Corporation tax	-	2
Other taxation and social security	345	281
Finance leases and hire purchase contracts	26	26
Accruals	108	16
	1,030	954

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the 9 months ended 31 December 2020

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	December 2020 £'000 (Unaudited)	March 2020 £'000
Bank loans	405	363
Finance leases and hire purchase contracts	36	28
	<u>441</u>	<u>391</u>
Analysis of borrowings:		
Finance leases and hire purchase contracts		
Due within one year	26	26
Due between one and five years	36	28
	<u>62</u>	<u>54</u>
Bank loans		
Due within one year	163	50
Due between one and five years	405	363
	<u>62</u>	<u>54</u>
Total borrowings		
Due within one year	189	76
Due between one and five years	441	391
	<u>630</u>	<u>467</u>

11. DEFERRED TAXATION

	December 2020 £'000 (Unaudited)
At 1 April 2020 and 31 December 2020	<u>76</u>

12. DEFERRED INCOME

	December 2020 £'000 (Unaudited)	March 2020 £'000 (Restated)
Deferred income falling due within one year	<u>557</u>	<u>602</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the 9 months ended 31 December 2020

13. SHARE CAPITAL

	December 2020 £ (Unaudited)	March 2020 £
Ordinary shares of £1 each	167	167
Convertible preference shares of £1 each	147	147
	<u>314</u>	<u>314</u>

The ordinary shareholders are entitled to attend and vote at general meetings of the company.

The holders of the convertible preference shares shall receive notice of general meetings but shall not be entitled to attend or vote. The convertible preference shareholders are entitled at any time between the first anniversary and the second anniversary of the date of the Shareholders Agreement to convert their shares into Ordinary shares. The conversion shall take effect immediately and the Ordinary shares resulting from the conversion shall rank pari passu in all respects with the existing Ordinary shares in the company.

14. POST BALANCE SHEET EVENTS

On 5 January 2021 the Company was acquired by Kings Security Systems Limited, a leading national provider of specialist CCTV, access, intruder and fire alarm systems.

On 10 May 2021 the Company acquired UK Monitoring Limited ("UKM") from Kings Security Systems Limited. On the same date the Company and UKM merged operations a hive up of the trade and assets of UKM into Cougar Monitoring Ltd. UKM ceased trading from 10 May 2021.

15. RELATED PARTY TRANSACTIONS

At the period end the following balances were owed by/(to) related party undertakings:

	December 2020 £ (Unaudited)	March 2020 £
KIFIN Limited	(50)	(50)
Kings Security Systems Limited	-	(4)
Securenett Security Systems Limited	104	106
Securenett Home Security Limited	5	5

16. CONTROLLING PARTY

The immediate parent undertaking and controlling party is Prime Interaction Limited. The ultimate controlling party is the Merrowdown Trust.

17. ACCOUNTING POLICIES

Company information

Cougar Monitoring Limited ("the company") is a private limited company incorporated in England & Wales. The registered office is 4 St Dunstan's Technology Park, Ripley Street, Bradford, West Yorkshire BD4 7HH.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the 9 months ended 31 December 2020

17. ACCOUNTING POLICIES (Continued)

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Turnover

The turnover shown in the profit and loss account represents the value of all services provided during the period, at selling price exclusive of Value Added Tax. Turnover from contracts of more than one month duration is recognised over the life of the contract and amounts invoiced in advance are included in deferred income.

Taxation

The tax expense for the period represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Tangible fixed assets

Tangible fixed assets are stated at historical cost (or deemed cost) net of depreciation and any impairment losses. 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.

Land is not depreciated. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their residual values, over their expected useful lives on the following bases:

Freehold property	2% straight line
Motor vehicles	25-33% reducing balance
Fixtures & fittings	10% reducing balance
Computer equipment	10-33% reducing balance

Gains or losses arising on disposals are determined as the difference between the sale proceeds and the carrying value of the asset, and are credited or charged to profit or loss.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the 9 months ended 31 December 2020**17. ACCOUNTING POLICIES (Continued)****Basic financial assets**

Basic financial assets, which include trade debtors, other debtors (including accrued income) and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade creditors, amounts due to group undertakings, other creditors (including accruals), and other loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the 9 months ended 31 December 2020

17. ACCOUNTING POLICIES (Continued)

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.