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**TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106  
LIMITED)**

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**CONSOLIDATED STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL  
STATEMENTS**

**FOR THE PERIOD ENDED 31 MARCH 2015**

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**TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**

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**COMPANY INFORMATION**

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**DIRECTORS**

Christopher Afors (appointed 16 June 2014)  
Nicolas Holzman (appointed 18 July 2014)  
Colm O'Sullivan (appointed 16 June 2014)  
Keith Reid (appointed 18 July 2014)  
Mark Silver (appointed 18 July 2014)  
Sebastien Veil (appointed 18 July 2014)  
Ihor Shershunovych (appointed 4 March 2014, resigned 16 June 2014)  
Travers Smith Limited (appointed 4 March 2014, resigned 16 June 2014)  
Travers Smith Secretaries Limited (appointed 4 March 2014, resigned 16 June 2014)

**COMPANY SECRETARY**

Timothy O'Gorman

**REGISTERED NUMBER**

08922409

**REGISTERED OFFICE**

Premiere House  
Elstree Way  
Borehamwood  
Hertfordshire  
WD6 1JH

**INDEPENDENT AUDITOR**

KPMG LLP  
58 Clarendon Road  
Watford  
Hertfordshire  
WD17 1DE

**BANKERS**

HSBC Plc  
8 Canada Square  
London  
E14 5HQ

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**TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**

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## **TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**

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### **GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 31 MARCH 2015**

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#### **INTRODUCTION**

Tyrion Security TopCo Limited was incorporated on 4 March 2014 as De Facto 2106 Limited and subsequently renamed on 16 June 2014.

On 20 June 2014 the Company was acquired by Targaryen Security 1 S.a.r.l., a Luxembourg investment vehicle controlled by PAI Partners SAS, a major European private equity firm with its headquarters in France. PAI manages and advises dedicated private equity funds with a combined equity value in excess of €7.5 billion.

On 18 July 2014, the Company's subsidiary Tyrion Security Bidco Limited acquired 100% of the issued share capital of VPS Holdings Limited ("VPS") from VPS Acquisitions Limited, a UK investment vehicle controlled by TDR Capital, for consideration of £50.8m. The consolidated results of the Group are shown for 8 months and 13 days from 18 July 2014. The acquisition was funded by £80m of Senior debt and £88m of Equity provided by PAI Partners SAS and Management. The additional funding was used to re-finance the VPS business together with funding transaction costs.

VPS is the European leader in the provision of security and property services to the vacant, unoccupied and void property market. The business provides a range of specialist property solutions and has a broad customer base across both private and public sectors with services including risk assessments, security & monitoring solutions, property clearance, cleaning, maintenance and preparation. These combined services protect properties against unauthorised access and a variety of hazards such as arson, theft, squatting and unauthorised occupation. This in turn helps to maintain property values and minimise any impact on the local community. VPS has c50,000 properties under management across the UK, France, Germany, Netherlands, Spain, Italy & Ireland which it services predominantly through its in-house operating model, utilising a mix of alarm and steel technology and other labour based services provided by an employee base of 900+ employees.

#### **BUSINESS REVIEW**

The performance in the period was satisfactory with strong revenue and EBITDA growth in the UK. French revenue was flat for the period and the Netherlands business experienced a slight decline in revenue following a significant 'one-off' project ending. Revenue was £56.9m for the period.

EBITDA (defined as operating profit before depreciation, amortisation and exceptionals) was £13.4m for the period which represents a 24% EBITDA margin. EBITDA contains £0.4m of losses from a new initiative to re-sell Quatro alarms in non-core markets specifically the USA which, if unsuccessful, can be closed in a two month period with minimal cost.

Operating cash flow was £9.3m which represents 70% of EBITDA. Adjusted for £3.8m exceptional costs and non-recurring items the operating cash flow would be £13.1m, 97% of EBITDA.

At the end of March 2015, we closed our alarm production business Quatro Electronics Limited. The closure costs are disclosed as an exceptional item in the financial statements below operating profit. We will continue to produce Quatro alarms through a new outsourced alarm manufacturer and Tower production has been moved to the VPS Site Security Limited (formerly Camwatch Limited) location in Oldham, Greater Manchester.

**GROUP STRATEGIC REPORT (continued)**  
**FOR THE PERIOD ENDED 31 MARCH 2015**

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**STRATEGY**

*(i) Strengthen our position as the European market leader in vacant property through a blend of organic and acquisitive growth*

**Organic Growth**

**UK**

In the period to 31 March 2015, we saw excellent organic revenue growth in the UK with revenue up 11% on the prior year comparative period, driven by growth in the commercial market predominantly from growth in Towers and inspections. Importantly in March 2015 we signed a strategic partnership with G4S to cover the UK and Ireland which we anticipate will drive significant revenue growth over the coming years.

The social market was flatter with social rental revenue reducing slightly as a result of the volume property reducing in the market. However, this was offset by growth in Property Service revenue driven by a number of contract wins. Post year end, the acquisition of Redfields Landscaping and Design Limited and its subsidiary Lotus Landscapes Limited (detailed in the Directors' Report) will also add a further service to offer to our Social Housing customers.

We launched an organic revenue initiative in the period to put Guardians into social housing and local authority properties in the London area. By March 2015, monthly revenue was £66k which was generated by 253 guardians.

**France**

Over the period, we have been working to reposition our strategy in France and place more of a focus on commercial growth while maintaining our market leading position in the Social Housing market.

In January 2015, a new Commercial Director joined the business and we have made significant investment in additional commercial sales resource. In parallel, we have also been working to secure framework agreements with the national construction companies and we have been awarded two significant contracts with Vinci and Bouygues which will deliver notable revenue growth with Tower, Alarm and Steel security solutions in FY16.

We maintained our share of the social housing market by securing all of the key tenders where we were the incumbent service provider.

**Netherlands**

Similar to France, we have been working over the period to 31 March 2015 to reposition the Netherlands strategy with a greater emphasis on the rental of Security Solutions while maintaining our market share of the Guardian market.

We completed the integration of the Netherlands businesses in September 2014 and renamed the business FMT. Two major tender wins in Q4 will position the business well for growth in FY16.

**Other Europe (Italy, Spain and Germany)**

Italy and Spain grew well over the period. Spain in particular looks to present an exciting market opportunity with revenue growing consecutively month on month over the period. At March 2015 there were 826 properties secured with a VPS solution.

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## TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)

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### GROUP STRATEGIC REPORT (continued) FOR THE PERIOD ENDED 31 MARCH 2015

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#### **Acquisitive growth**

On 17 November 2014, the Company's subsidiary, VPS (UK) Limited, acquired 100% of the issued share capital of Camwatch Limited (subsequently renamed VPS Site Security Limited) for £1. Camwatch Limited has over 10 years' experience in developing security products and is the UK market leader of rapidly deployable mobile CCTV Towers ('Towers'). The technology utilises market leading battery and fuel cell technology together with a range of motion detector sensors ranging from passive infra-red to heat detection. All Towers are developed in conjunction with, and branded, JCB under a licensing agreement which is in its fifth year. All Towers communicate using 3G and 4G technology and are monitored by the in-house monitoring centre based in Oldham. The acquisition is of strategic importance to the 3 year plan of the Group.

The acquisition has made us the clear market leader in the UK Towers market. Post acquisition we have started discussion on a number of framework agreements with major UK construction and utility companies. The Group has the strategic objective to reach 1,000 Towers deployed across Europe by the end of FY17.

*(ii) Build a multi-service, integrated solution in all of our markets offering more types of service than any other competitor*

In each of our core markets we added several new service lines during the year. In the UK, we added pest control services together with increasing the number of depots that can do lock changes. Vacant property inspections were also a significant area of growth in the property management vertical driven by our investment in the market leading Workforce IQ IT platform and Navigator web portal. This investment gives a significantly differentiated service proposition in the market.

In France, we did a notable amount of clean and clear work for SNCF, the French rail operator. We are also in the process of rolling out Workforce IQ in France (due to be complete by July 2015).

*(iii) Drive technology enabled security solutions across all of our markets to either replace or partner with traditional man guarding solutions.*

At the end of March 2015, the Group had 489 Towers deployed across Europe:

UK	479
France	2
Netherlands	8

Video alarms deployed across the Group now exceed 1,800.

*(iv) Remain the supplier-of-choice to major players in the commercial and public sectors*

In all of our markets, we retained all of our key social and commercial customers that tendered their services in the year.

GROUP STRATEGIC REPORT (continued)  
FOR THE PERIOD ENDED 31 MARCH 2015

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**PRINCIPAL RISKS AND UNCERTAINTIES**

The Group considers the following to be its principal risks and has outlined an assessment and summary of each:

(i) *Access to capital (low risk)*: to pursue the Group strategy of organic and acquisitive growth, the Group requires access to cash to invest in CAPEX, working capital and acquisitions. The Group has a 7 year £110m bank facility and as at the date of these financial statements there remains the following amount undrawn and fully available:

£8.5m of CAPEX/ Acquisition facility;  
£5.0m of revolving credit facility ('RCF'); and  
£4.7m of cash on the balance sheet

Given the majority of Group revenue is generated from a rental model, growth is typically delivered by investing in rental equipment CAPEX. Historically the Group has funded CAPEX from operating cash flow and the FY16 budget for the Group is prepared on this assumption. In FY16 the Group is forecast to generate £8.6m of net cash flow (after payment of bank debt, bank interest and tax). Should the business want to accelerate growth, in particular in Towers, above budget then this would either be funded by a short term cash inflow from the RCF or funded by cash on the balance sheet.

(ii) *Customer credit risk (moderate risk)*: the Group makes sales on normal credit terms and manages the related risks through its credit control procedures. No one customer is larger than 2% of Group revenue. The Group has limited exposure to bad debts in the social housing and local authority market (48% of Group revenue.) In the commercial sector, the majority of customers are recognised international property managers and large corporate land owners with a low credit risk, albeit at times operating to elongated credit terms.

The Group however recognises that the construction market, a key vertical for growth has an inherently higher credit risk than other markets and therefore periodically assesses the credit rating of all customers. The group applies a standard bad debt policy.

(iii) *Pricing risk (moderate risk)*: Pricing risk is considered low risk in the commercial sector however moderate risk in social housing.

Our commercial proposition across the Group is based on alarm technology. Commercial customers are looking for cheaper, more reliable, technology driven security solutions to replace traditional man guarding or fixed CCTV security solutions. With the VPS solution often less than 10% the cost of man guarding, pricing is less of the buying decision than in the traditional steel security social housing market, although it remains very important to ensure value is delivered to customers. The commercial strategy is focused on obtaining a greater share of security spend from our existing commercial customers.

Social Housing revenue is largely fixed for the period of the tendered framework agreement with the customers, typically three years. In our larger markets small competitors, with a lower overhead based and infrastructure, are bidding some tenders at low and unsustainable rates. This creates artificial pricing pressure on tenders from competitors who often cannot deliver the required quality or service level.

(iv) *Product failure (low risk)*: the Group's Towers monitor high value assets at customer properties. Any product failure could result in a theft or damage to customers' assets leading to both financial and reputational risk to the Company. The Group manages this risk by servicing all Towers at the end of their rental period together with dispatching its team of 30 engineers to periodically test Towers at customers' locations. All installations are based on detailed evaluations of the site completed by the Group's in-house surveyor and CAD team to ensure all risk areas of a site are appropriately protected and customers are aware, and accept, areas of the site not visible to the Tower. The Group also carries all the normal public and product liability insurance policies to the required level of its customers.

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**TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**

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**GROUP STRATEGIC REPORT (continued)  
FOR THE PERIOD ENDED 31 MARCH 2015**

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(v) *Foreign exchange risk (low risk)*: The Group's French, Dutch, German, Irish, Italian and Spanish subsidiaries operate in Euro, therefore the Group is exposed to currency fluctuation between the GBP and Euro exchange rate. In the period, there were no material cross border sales or purchases, therefore FX exposure is limited to the cash generated by the European entities which is remitted to UK companies. The Group has mitigated much of this FX risk by matching the split of its senior debt to the split of its cash flows and therefore the residual FX risk that remains is the cash remitted to the UK after servicing all Euro denominated senior debt obligations. The Group at present does not use any derivative financial instruments to manage FX risk. The Board periodically review FX exposure.

(vi) *Interest rate risk (moderate risk)*: At 31 March 2015 the Group has £90m of gross senior borrowing of which £51m is based on LIBOR base rate and £39m is based on EURIBOR base rate, the Group is therefore exposed to fluctuation in the LIBOR and EURIBOR base rate. The Group manages its exposure by hedging 68% of its A and B senior debt facilities with 3 year LIBOR and EURIBOR swaps. The Group does not currently hedge the interest rate on the acquisition facility. Periodically the Group reviews interest rate exposure and the adequacy of the existing interest rate hedging.

**FINANCIAL KEY PERFORMANCE INDICATORS**

The Company consider the following to be its key performance indicators:

KPI	March 2015	Change in the period
VPS (UK) weekly rental	£420,711	+0.18%
UK Towers (no)	479	+396
VPSitex France weekly rental	€499,298	+15%
European Towers (nos)	10	+10
NL Guardian numbers	2,641	-23%
Total Headcount	914	+5

This report was approved by the board on 20 July 2015 and signed on its behalf.



**Keith Reid**  
Director



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**TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**

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**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 31 MARCH 2015**

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**DIRECTORS**

The directors who served during the period were:

Christopher Afors (appointed 16 June 2014)  
Nicolas Holzman (appointed 18 July 2014)  
Colm O'Sullivan (appointed 16 June 2014)  
Keith Reid (appointed 18 July 2014)  
Mark Silver (appointed 18 July 2014)  
Sebastien Veil (appointed 18 July 2014)  
Ihor Shershunovych (appointed 4 March 2014, resigned 16 June 2014)  
Travers Smith Limited (appointed 4 March 2014, resigned 16 June 2014)  
Travers Smith Secretaries Limited (appointed 4 March 2014, resigned 16 June 2014)

**EVENTS SINCE THE END OF THE YEAR**

On 12 June 2015, VPS (UK) Limited acquired Redfields Landscaping & Design Limited and its subsidiary Lotus Landscapes Limited for £5.0m (including transaction costs). Redfields is based in the South East of the UK and has more than 35 years' experience in grounds care and landscaping with a well-established market position with a solid customer base spanning both social and commercial properties. The addition of an in-house grounds and garden maintenance business will be a significant benefit to our existing customers and to our total UK service offering.

**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 that director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

**AUDITOR**

Under section 487(2) of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 20 July 2015 and signed on its behalf.

  
.....  
**Keith Reid**  
Director

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE PERIOD ENDED 31 MARCH 2015**

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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). 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 the Group and the profit or loss of the Group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**

We have audited the financial statements of Tyrion Security Topco Limited (formerly De Facto 2106 Limited) for the period ended 31 March 2015, set out on pages 10 to 40. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 March 2015 and of the Group's loss for the period 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.

### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

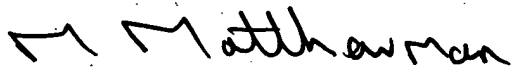
In our opinion the information given in the Group strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



**Mark Matthewman (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP  
Chartered Accountants

**58 Clarendon Road  
Watford  
Hertfordshire  
WD17 1DE**

21 July 2015

**TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 31 MARCH 2015**

	Note	period ended 31 March 2015 £000
<b>TURNOVER</b>	1,3	
Acquisitions		56,838
Discontinued operations		62
		<u>56,900</u>
Cost of sales	4	<u>(27,385)</u>
<b>GROSS PROFIT</b>		<b>29,515</b>
Administrative expenses	4	(27,018)
Non-recurring items		(3,447)
Total administrative expenses		<u>(30,465)</u>
<b>OPERATING LOSS (EBITDA is disclosed in Note 2)</b>		<b>(950)</b>
<b>EXCEPTIONAL ITEMS</b>		
Loss on termination of operation	11	<u>(1,776)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<b>(2,726)</b>
Interest payable and similar charges	10	<u>(11,368)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(14,094)</b>
Tax on loss on ordinary activities	12	<u>-</u>
<b>LOSS FOR THE FINANCIAL PERIOD</b>	23	<u><u>(14,094)</u></u>

There are no material differences between the loss on ordinary activities before taxation and the retained loss for the financial period stated above and their historical cost equivalents.

The Company was incorporated on 4 March 2014 however did not trade until 18 July 2014. The trading results presented above are for the 8 months and 13 days from the acquisition of VPS Holdings.

The acquisitions in the period relate to the continuing operations of the Group at the date of these financial statements.

The notes on pages 15 to 40 form part of these financial statements.

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**TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**

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**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE PERIOD ENDED 31 MARCH 2015**

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	Note	period ended 31 March 2015 £000
<b>LOSS FOR THE FINANCIAL PERIOD</b>		<b>(14,094)</b>
Foreign exchange translation reserve movement		<u>1,658</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE PERIOD</b>		<b><u>(12,436)</u></b>

The notes on pages 15 to 40 form part of these financial statements.

**TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**  
**REGISTERED NUMBER: 08922409**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2015**

	Note	£000	2015 £000
<b>FIXED ASSETS</b>			
Intangible assets	13		151,651
Tangible assets	14		11,754
			<u>163,405</u>
<b>CURRENT ASSETS</b>			
Stocks	17	319	
Debtors	18	21,448	
Cash at bank		4,708	
		<u>26,475</u>	
<b>CREDITORS:</b> amounts falling due within one year	19	<u>(22,794)</u>	
<b>NET CURRENT ASSETS</b>			<u>3,681</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>167,086</u>
<b>CREDITORS:</b> amounts falling due after more than one year	20		(177,748)
<b>PROVISIONS FOR LIABILITIES</b>			
Other provisions	21		(722)
<b>NET LIABILITIES</b>			<u>(11,384)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	22		13
Share premium account	23		1,039
Foreign exchange reserve	23		1,658
Profit and loss account	23		(14,094)
<b>SHAREHOLDERS' DEFICIT</b>	24		<u>(11,384)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 July 2015.



**Keith Reid**  
Director


The notes on pages 15 to 40 form part of these financial statements.

**TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**  
**REGISTERED NUMBER: 08922409**

**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2015**

	Note	2015 £000
<b>FIXED ASSETS</b>		
Investments	15	890
<b>CURRENT ASSETS</b>		
Debtors		162
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,052</u>
<b>CAPITAL AND RESERVES</b>		
Called up share capital	22	13
Share premium account	23	1,039
<b>SHAREHOLDERS' FUNDS</b>	24	<u>1,052</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 July 2015.

  
 .....  
**Keith Reid**  
 Director

The notes on pages 15 to 40 form part of these financial statements.



**TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 31 MARCH 2015**

		period ended 31 March 2015 £000
	<b>Note</b>	
Net cash flow from operating activities	25	9,355
Returns on investments and servicing of finance	26	(3,203)
Taxation	26	(714)
Capital expenditure and financial investment	26	(2,680)
Acquisitions and disposals	26	(49,411)
<b>CASH OUTFLOW BEFORE FINANCING</b>		<b>(46,653)</b>
Financing	26	51,361
<b>INCREASE IN CASH IN THE PERIOD</b>		<b>4,708</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE PERIOD ENDED 31 MARCH 2015**

	period ended 31 March 2015 £000
Increase in cash in the period	4,708
Cash inflow from increase in debt and lease financing	(50,471)
<b>CHANGE IN NET DEBT RESULTING FROM CASH FLOWS</b>	<b>(45,763)</b>
New finance lease	(1,192)
Other non-cash changes	(8,087)
Net debt on assumed acquisition	(124,289)
Foreign exchange movements	3,041
<b>MOVEMENT IN NET DEBT IN THE PERIOD</b>	<b>(176,290)</b>
<b>NET DEBT AT 31 MARCH 2015</b>	<b>(176,290)</b>

The notes on pages 15 to 40 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2015

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

**1.2 Going concern**

The financial statements have been prepared on a going concern basis. The Directors have prepared projections for the period to 30 September 2016 and based on these projections the Group and Company will remain in compliance with the financial covenants and scheduled amortisation and interest payments on Senior Debt over this period.

The Group has cash on the Balance Sheet of £4.7m at March 2015 and net current assets of £3.7m both good indicators of a strong financial position.

The net liability position on the balance sheet is common for many private equity backed businesses in the initial periods following acquisition and reflects the following non-cash transactions in the year:

- depreciation and amortisation of £10.2m
- interest charge of £7.5m on shareholder loan notes;
- amortised debt issue costs of £0.7m

Adding these back the adjusted net assets would be £7.0m which gives the correct view of the business from a solvency perspective. The adjusted net assets further supports why the Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future and thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**1.3 Basis of consolidation**

The financial statements consolidate the accounts of Tyrion Security Topco Limited (formerly De Facto 2106 Limited) and all of its subsidiary undertakings ('subsidiaries').

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 31 March 2015.

The acquisition method of accounting has been adopted in respect of all subsidiaries. Under the acquisition method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Under Section 408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account.

**1.4 Turnover**

Revenue comprises amounts (excluding sales taxes and discounts) derived from the provision of security equipment on a rental basis and labour based services. Revenue from rental contracts is recognised on a straight line basis over the contract term. Revenue from the supply of labour based services represents the value of services provided under the contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2015

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**1. ACCOUNTING POLICIES (continued)**

**1.5 Intangible fixed assets and Goodwill**

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities acquired. It is capitalised and amortised to the profit and loss account on a straight line basis over its estimated economic life of 20 years.

**1.6 Intangible fixed assets- trademarks**

Patents, trademarks and intellectual property are included at cost and amortised in equal annual instalments over their useful economic life of six years.

The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Intangible assets acquired as part of an acquisition are capitalised at their fair value where this can be measured reliably. Fair values are restricted to an amount that does not create, or increase, any negative goodwill.

**1.7 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, on a straight line basis over their expected useful economic lives as follows:

Rental equipment	-	2-6 years
Motor vehicles	-	4 years
Fixtures, fittings and equipment	-	6 years

**1.8 Investments**

Investments in subsidiaries are valued at cost less provision for impairment.

**1.9 Finance leases**

Assets acquired under finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives and depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**1.10 Operating leases**

Rentals under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Operating lease incentives are recognised on a straight-line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2015**

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**1. ACCOUNTING POLICIES (continued)**

**1.11 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

**1.12 Taxation**

Current tax, comprising UK corporation tax and foreign tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted, or substantively enacted, by the balance sheet date.

**1.13 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date and gains or losses recorded in the profit and loss account.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

The results of overseas subsidiaries are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets to the extent that they hedge the Group's investment in such operations, are reported in the Group Statement of total recognised gains and losses. All other exchange differences are included in the profit and loss account.

**1.14 Research and development**

Research and development expenditure is charged to the profit and loss account as incurred. Where development expenditure meets the criteria set out in 'SSAP 13: Accounting for Research and Development', it is capitalised and charged to the profit and loss account over the life of the asset.

**1.15 Pensions**

The Group operates defined contribution pension schemes and the pension charge in the profit and loss account represents the amounts payable by the Group to the scheme in respect of the accounting period. The assets of the scheme are held separately from those of the Group in independently administered funds.

**1.16 Non-recurring items**

Non-recurring items include income and expenses of a one-off nature where these items, either individually, or if similar, in aggregate are considered material, their nature and amount are separately disclosed within the notes to the financial statements.

**1.17 Share based payments**

During the period the Group issued free shares in Tyrion Security Topco Limited, to certain members of senior management. Shares issued are measured at fair value recognised at the date granted. An equivalent amount has been charged to profit and loss within wages and salaries.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2015

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1. ACCOUNTING POLICIES (continued)

1.18 Finance costs

Loan notes are recognised in the balance sheet at their issued amount less any directly attributable issue costs plus the accrued finance charge that has arisen on them. The finance charge has been calculated using the effective interest rate over the life of the financial instrument.

Finance costs associated with financial liabilities are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

1.19 Derivative financial instruments

The Group uses derivative financial instruments to reduce exposure to interest rate movements. The Group does not hold or issue derivative financial instruments for speculative purposes.

The Group does not mark to market its derivative financial instruments and therefore in accordance with United Kingdom accounting standards, no asset or liability is recognised in the financial statements.

2. EBITDA

	period ended 31 March 2015 £000
Operating loss	(950)
Depreciation	4,326
Amortisation	5,845
Non-recurring costs (note 11)	3,448
Foreign exchange	753
	<hr/>
	13,422
	<hr/>

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**TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2015**

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**3. TURNOVER**

The acquisitions in the period relate to the continuing operations of the Group at the date of these financial statements. A geographical analysis of turnover, stated net of VAT is as follows:

	period ended 31 March 2015 £000
United Kingdom	32,332
Rest of European Union	24,506
USA	62
	<hr/> 56,900 <hr/>

All turnover and profit before taxation from continuing activities is generated from the provision of security and labour based services.

All turnover and profit before taxation from discontinued activities arose from the Group's alarm design and assembly business, Quatro Electronics Limited.

**4. ANALYSIS OF OPERATING LOSS**

	Acquisition £000	Discontinued £000
Turnover	56,838	62
Cost of sales	(27,323)	(62)
	<hr/> 29,515	<hr/> -
Gross profit	29,515	-
Administrative expenses	(30,465)	-
	<hr/> (950) <hr/>	<hr/> - <hr/>

The acquisitions in the period relate to the continuing operations of the Group at the date of these financial statements.

	period ended 31 March 2015 £000
VPS Holdings Limited Group	(820)
VPS Site Security Limited (formerly Camwatch Limited)	(130)
	<hr/> (950) <hr/>
Operating loss	<hr/> (950) <hr/>

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**TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2015**

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**5. OPERATING LOSS**

The operating profit is stated after charging/ (crediting):

	period ended 31 March 2015 £000
Amortisation - goodwill and other intangible fixed assets	5,845
Depreciation of tangible fixed assets:	
- owned by the Group	3,396
- held under finance leases	930
Operating lease rentals:	
- plant and machinery	62
- other operating leases	2,671
Difference on foreign exchange	753
Research and development expenditure written off	52
	<hr/> <hr/>

**6. AUDITOR'S REMUNERATION**

	period ended 31 March 2015 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	147
Fees payable to the company's auditor and its associates in respect of:	
Taxation compliance services	32
All taxation advisory services not included above	26
	<hr/> <hr/>

**7. STAFF COSTS**

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

	period ended 31 March 2015 £000
Wages and salaries	18,454
Social security costs	3,468
Other pension costs	298
	<hr/> <hr/>
	22,220

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**TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2015**

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**7. STAFF COSTS (continued)**

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

	period ended 31 March 2015 No.
Operational	599
Administration, sales & marketing	371
	<hr/>
	970
	<hr/>

**8. DIRECTORS' REMUNERATION**

	period ended 31 March 2015 £000
Remuneration	488
	<hr/>
Company pension contributions to defined contribution pension schemes	12
	<hr/>

During the period retirement benefits were accruing to 1 director in respect of defined contribution pension schemes.

The highest paid director received remuneration of £321,000 and pension contributions of nil.

A number of directors are employees of PAI Partners SAS. These directors receive no remuneration for their services to the Group. The Group pay PAI Partners SAS an annual monitoring fee.

**9. SHARE BASED PAYMENTS**

On 13 February 2015, the Company issued new 'B' shares to certain members of key management throughout the Group. The total expense recognised in profit and loss was £228,000. There were no vesting conditions attached to the share issue. See note 22 for more information.



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**TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2015**

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**10. INTEREST PAYABLE**

	period ended 31 March 2015 £000
Interest on bank debt	3,149
Accrued interest on shareholder loan notes	7,460
Finance lease interest	54
Amortisation of debt issue costs	705
	<hr/>
	11,368
	<hr/>

**11. EXCEPTIONAL ITEMS**

	period ended 31 March 2015 £000
Loss on termination of operation	1,776
Non-recurring advisor fees	1,146
Non-recurring senior management restructuring	1,416
Other non-recurring costs	886
	<hr/>
	5,224
	<hr/>

Non-recurring costs of £3,447,000 are included in Administration expenses with the £1,776,000 loss on termination of operation disclosed below Operating profit.

Upon acquisition of VPS Holdings there was an ongoing litigation in the US from a competing alarm manufacturer who has made a number of claims against the products sold by Quatro Electronics Limited in the US market. While the Group continues to believe that claims are frivolous and unsubstantiated they have incurred £646,000 of US legal costs in the year defending litigation and has provided for £500,000 of costs for the completion of litigation in FY16. This amount is disclosed as non-recurring advisor fees.

Following the acquisition a number of changes were made to Senior management across the European Group, in particular a new senior management team was recruited for the Netherlands. Severance, recruitment and advisor fees in this restructure are disclosed as non-recurring Senior management restructuring costs.

The Group has undertaken a significant amount of corporate activity in the year and incurred (i) advisor fees on European strategy, including various advisor fees on aborted European acquisitions; (ii) advisor fees for the VPS Holdings acquisition which did not meet the criteria for being capitalised; and (iii) other costs associated with office and depot re-locations across Europe. These costs are disclosed as other non-recurring items.

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**TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2015**

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**12. TAXATION**

**Factors affecting tax charge for the period**

The tax assessed for the period is the same as the standard rate of corporation tax in the UK of 21% as set out below:

	period ended 31 March 2015 £000
Loss on ordinary activities before tax	(14,094)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21%	(2,960)
<b>Effects of:</b>	
Non-tax deductible amortisation of goodwill	1,225
Expenses not deductible for tax purposes, other than goodwill amortisation	(56)
Capital allowances for period in excess of depreciation	(136)
Short term timing difference leading to an increase in taxation	440
Unrelieved tax losses carried forward	1,487
<b>Current tax charge for the period (see note above)</b>	-

**Factors that may affect future tax charges**

The Finance Act 2013 introduced the legislation to reduce the corporation tax rate to 20% from 1 April 2015. This will reduce the Group's future current tax charge accordingly. Deferred tax at 31 March 2015 has been calculated based on the rate of 20% enacted at the balance sheet date.

**TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2015**

**13. INTANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Patents £000</b>	<b>Goodwill £000</b>	<b>Total £000</b>
<b>Cost</b>			
At 4 March 2014	-	-	-
Additions	-	162,141	162,141
On acquisition of subsidiaries	161	-	161
Foreign exchange movement	-	(4,670)	(4,670)
At 31 March 2015	<u>161</u>	<u>157,471</u>	<u>157,632</u>
<b>Amortisation</b>			
At 4 March 2014	-	-	-
Charge for the period	10	5,835	5,845
On acquisition of subsidiaries	136	-	136
At 31 March 2015	<u>146</u>	<u>5,835</u>	<u>5,981</u>
<b>Net book value</b>			
At 31 March 2015	<u>15</u>	<u>151,636</u>	<u>151,651</u>

Additions to goodwill comprise goodwill generated on the acquisition of VPS Holdings Limited of £151,989,000 and the acquisition of VPS Site Security Limited (formerly Camwatch Limited) of £10,152,000.

**TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2015**

**14. TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Rental Equipment £000</b>	<b>Motor vehicles £000</b>	<b>Fixtures, fittings and equipment £000</b>	<b>Total £000</b>
<b>Cost</b>				
At 4 March 2014	-	-	-	-
Additions	3,439	842	603	4,884
Disposals	(176)	(792)	(538)	(1,506)
On acquisition of subsidiaries	49,450	5,587	15,044	70,081
Foreign exchange movement	(2,110)	(82)	(243)	(2,435)
At 31 March 2015	<u>50,603</u>	<u>5,555</u>	<u>14,866</u>	<u>71,024</u>
<b>Depreciation</b>				
At 4 March 2014	-	-	-	-
Charge for the period	2,481	832	1,014	4,327
On disposals	(859)	(452)	(194)	(1,505)
On acquisition of subsidiaries	43,101	3,364	12,289	58,754
Foreign exchange movement	(2,061)	(62)	(183)	(2,306)
At 31 March 2015	<u>42,662</u>	<u>3,682</u>	<u>12,926</u>	<u>59,270</u>
<b>Net book value</b>				
At 31 March 2015	<u>7,941</u>	<u>1,873</u>	<u>1,940</u>	<u>11,754</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

<b>Group</b>	<b>2015 £000</b>
Rental equipment	489
Motor vehicles	1,785
	<u>2,274</u>

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**TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2015**

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**15. FIXED ASSET INVESTMENTS**

**Subsidiary undertakings**

The undertakings in which the Group's interest at the year end are as follows at 31 March 2015:

<b>Name</b>	<b>Principal activity</b>	<b>Country of incorporation</b>
Tyrion Security Debtco Limited	Holding company	England and Wales
Tyrion Security Midco Limited *	Holding company	England and Wales
Tyrion Security Bidco Limited *	Holding company	England and Wales
VPS Holdings Limited *	Holding company	England and Wales
Vacant Property Security Limited *	Holding company	England and Wales
VPS Vacant Property Specialists Limited *	Dormant	England and Wales
Radcom Security Services Limited *	Dormant	England and Wales
Intruder Protection Systems Limited *	Dormant	England and Wales
Smart Patrol Property Protection Limited *	Dormant	England and Wales
Safe Estates Services Limited *	Dormant	England and Wales
VPSitex Ireland Limited *	Provision of security equipment and services	Ireland
VPSitex Italia S.a.r.l. *	Provision of security equipment and services	Italy
Quatro Electronics Holdings Limited *	Holding company	England and Wales
Quatro Electronics Limited *	Manufacture of security equipment	England and Wales
VPS (UK) Limited *	Provision of security equipment and services	England and Wales
VPSitex NI Limited *	Provision of security equipment and services	England and Wales
VPS Site Security Limited *	Provision of security equipment and services	England and Wales
Camwatch Limited *	Dormant	England and Wales
Camwatch Monitoring Limited *	Dormant	England and Wales
Camwatch UK Limited *	Dormant	England and Wales
VPSitex Holdings Netherlands B.V. *	Holding company	Netherlands
FMT Beheer B.V. *	Provision of security services	Netherlands
VPSitex Espana S.L. *	Provision of security equipment and services	Spain
VPSitex Holdings France SAS *	Holding company	France
Protel SAS *	Provision of security equipment and services	France
VPSitex SAS *	Provision of security equipment and services	France
VPSitex Deutschland GmbH *	Provision of security equipment and services	Germany

\* are investments held indirectly

All investments in subsidiaries are 100% investments in Ordinary shares.

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**TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2015**

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**15. FIXED ASSET INVESTMENTS (continued)**

On 18 July 2014 Tyrion Security Topco Limited acquired 100% of the share capital of Tyrion Security Debtco Limited.

	<b>Investments in subsidiary companies £000</b>
<b>Company</b>	
<b>Cost or valuation</b>	
At 4 March 2014	-
Additions	<u>890</u>
At 31 March 2015	<u>890</u>
<b>Net book value</b>	
At 31 March 2015	<u><u>890</u></u>

**TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2015**

**16. ACQUISITIONS AND DISPOSALS**

On 18 July 2014, the Company's subsidiary Tyrion Security Bidco Limited acquired 100% of the issued share capital of VPS Holdings Limited from VPS Acquisitions Limited, a UK investment vehicle controlled by TDR Capital for consideration of £50.8m. The acquisition was funded by £80m of Senior debt and £88m of Equity provided by PAI Partners SAS and Management. The additional funding was used to re-finance the VPS Holdings business together with funding transaction costs.

**Acquisitions - VPS Holdings Limited**

	<b>Vendors' book value £000</b>	<b>Fair value adjustments £000</b>	<b>Fair value to the group £000</b>
<b>Assets and liabilities acquired</b>			
Tangible fixed assets	9,681	-	9,681
Intangible fixed assets	25	-	25
Stocks	1,176	-	1,176
Debtors	22,790	(2,952)	19,838
Cash at bank	4,499	-	4,499
Loans and finance leases	(112,318)	-	(112,318)
Other creditors and provisions	(19,855)	(1,879)	(21,734)
<b>Net liabilities acquired</b>	<b>(94,002)</b>	<b>(4,831)</b>	<b>(98,833)</b>
<b>Satisfied by</b>			
Consideration:			
Cash			50,830
Acquisition costs			2,326
			<b>53,156</b>
<b>Goodwill arising on consolidation (see note 13)</b>			<b>151,989</b>

The summarised profit and loss account for VPS Holdings Limited and subsidiaries for the period from 1 April 2014 to the date of acquisition was as follows:

Turnover	17,744
Operating loss	(21,692)
Loss before tax	(3,949)
Loss after tax	(3,949)

The revenue for the 12 month period ending 31 March 2015 is £74.6m of which the above £17.7m relates to the pre-acquisition period.

**TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2015**

**Acquisitions - VPS Site Security Limited (formerly Camwatch Limited)**

On 17 November 2014, the Company's subsidiary, VPS (UK) Limited, acquired 100% of the issued share capital of Camwatch Limited (subsequently renamed VPS Site Security Limited) for £1.

	<b>Vendors' book value £000</b>	<b>Fair value adjustments £000</b>	<b>Fair value to the group £000</b>
<b>Assets and liabilities acquired</b>			
Tangible fixed assets	1,645	-	1,645
Stocks	80	-	80
Debtors	917	(75)	842
Bank overdrafts	12	-	12
Other creditors and provisions	(11,939)	(25)	(11,964)
Net liabilities acquired	<u>(9,285)</u>	<u>(100)</u>	<u>(9,385)</u>
<b>Satisfied by</b>			
Consideration:			
Acquisition costs			<u>767</u>
Goodwill arising on consolidation (see note 13)			<u>10,152</u>

The summarised profit and loss account for VPS Site Security Limited (formerly Camwatch Limited) for the period from 1 October 2014 to the date of acquisition was as follows:

Turnover	<u>3,224</u>
Operating loss	<u>(4,927)</u>
Loss before tax	<u>(1,603)</u>
Taxation	<u>97</u>
Loss after tax	<u>(1,506)</u>

The revenue for the year ended 30 September 2014 was £5.6m.

**17. STOCKS**

	<b>Group</b>	<b>Company</b>
	<b>2015 £000</b>	<b>2015 £000</b>
Finished goods and goods for resale	<u>319</u>	<u>-</u>



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**TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2015**

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**18. DEBTORS**

	<u>Group</u>	<u>Company</u>
	2015	2015
	£000	£000
Trade debtors	17,287	-
Amounts owed by group undertakings	-	162
Other debtors	769	-
Prepayments and accrued income	3,392	-
	<u>21,448</u>	<u>162</u>

**19. CREDITORS:  
Amounts falling due within one year**

	<u>Group</u>	<u>Company</u>
	2015	2015
	£000	£000
Bank loans	3,283	-
Capitalised finance fees	(1,003)	-
Net obligations under finance leases	970	-
Trade creditors	4,548	-
Other taxation and social security	3,907	-
Other creditors	2,120	-
Accruals and deferred income	8,969	-
	<u>22,794</u>	<u>-</u>

**TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2015**

**20. CREDITORS:  
Amounts falling due after more than one year**

	<u>Group</u>	<u>Company</u>
	2015	2015
	£000	£000
Bank loans	83,890	-
Capitalised finance fees	(4,870)	-
Shareholder loan notes	88,382	-
Accrued interest on shareholder loan notes	7,460	-
Other loans	2,000	-
Net obligations under finance leases	886	-
	<u>177,748</u>	<u>-</u>

Included within the above are amounts falling due as follows:

	<u>Group</u>	<u>Company</u>
	2015	2015
	£000	£000
<b>Between one and two years</b>		
Bank loans	3,639	-
Capitalised finance fees	(1,003)	-
	<u>2,636</u>	<u>-</u>
<b>Between two and five years</b>		
Bank loans	26,880	-
Capitalised finance fees	(3,011)	-
Other loans	2,000	-
	<u>25,869</u>	<u>-</u>
<b>Over five years</b>		
Bank loans	53,371	-
Capitalised finance fees	(856)	-
Shareholder loan notes	88,382	-
Accrued interest on shareholder loan notes	7,460	-
	<u>148,357</u>	<u>-</u>

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**TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2015**

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**20. CREDITORS:**

**Amounts falling due after more than one year (continued)**

Creditors include amounts not wholly repayable within 5 years as follows:

	<u>Group</u>	<u>Company</u>
	<b>2015</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Repayable other than by instalments	<b>148,357</b>	-

Loan arrangement fees of £6,523,000 that were incurred on entering into the facilities agreement have been capitalised and will be amortised over the duration of the loan agreement. The unamortised balance at 31 March 2015 is £5,873,000, which amortises as follows:

Within one year:	£1,003,000
Between one and two years:	£1,003,000
Between two and five years:	£3,011,000
Over five years:	£856,000

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**TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2015**

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**20. CREDITORS:**

**Amounts falling due after more than one year (continued)**

Obligations under finance leases, included above, are payable as follows:

	<u>Group</u>	<u>Company</u>
	<b>2015</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Between one and five years	<b>886</b>	<b>-</b>

**Bank debt**

On 18 July 2014 Tyrion Security Bidco Limited acquired the VPS Holdings Limited Group. As a result, of the acquisition, the Group refinanced its debt and entered into a new Senior Facility Agreement with HSBC Bank Plc, Investec Bank Plc, Natixis, NIBC Bank BV and The Governor and Company of the Bank of Ireland.

Natixis transferred £6,750,000 of Facility B debt to Siemens Bank GMBH on 20 January 2015.

The new Senior Term Facility comprises £80,000,000 of Term Facility, of which £55,000,000 is Term loan B. Term loan A is repayable in instalments over the period from March 2015 to the facility's maturity date on 31 March 2020. Term loan B is repayable in full upon its maturity on 18 July 2021. Term A and B loans were fully drawn down on 18 July 2014 to finance the VPS Holdings acquisition. An amortisation payment of £1,300,000 was made in March 2015.

The Capex/Acquisition facility of £25,000,000 was also provided as part of the Senior Facility Agreement. £11,500,000 of this was drawn down on 17 November 2014 to fund the Camwatch Limited acquisition and £13,500,000 remains available at the balance sheet date. This facility is repayable in four equal annual instalments from 18 January 2017 to the facility's closing date on 18 July 2020.

The interest rates applicable to the Facilities is calculated with reference to the base rate (LIBOR and EURIBOR) plus margin. The margin is dependant on the senior leverage ratio.

**Shareholder loan notes**

£88,305,000 of shareholder loan notes were issued on 18 July 2014, with a further £74,000 issued on 13 February 2015 and are redeemable on 17 July 2021, or earlier by sale or listing. Non-cash interest is being recognised at an effective rate of 12%, annually rolled into the loan note balance.

**Other Loans**

On 25 March 2015 VPS Site Security Limited obtained a £2,000,000 loan from The Greater Manchester Combined Authority. The loan is unsecured and repayable in 12 instalments starting from 30 June 2016, with the outstanding balance due on the termination date of 31 March 2019. The interest rate applicable is at the base rate plus a 5% margin.

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**TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. PROVISIONS**

	<b>Dilapidation provision £000</b>
<b>Group</b>	
At 4 March 2014	-
Acquired	722
Amounts created	74
Amounts utilised	(74)
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At 31 March 2015	722
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**Dilapidation provision**

Provisions for dilapidations are recognised on a lease by lease basis and are based on the best estimate of the likely committed cash outflow.

The Company has no provisions.

**22. SHARE CAPITAL**

	<b>2015 £000</b>
<b>Allotted, called up and fully paid</b>	
889,500 Ordinary A shares of £0.01 each	9
62,792 Ordinary B1 shares of £0.04 each	3
51,167 Ordinary B2 shares of £0.01 each	1
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	13
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**NOTES TO THE FINANCIAL STATEMENTS  
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**22. SHARE CAPITAL (continued)**

On incorporation 4 March 2014, 2 A Ordinary shares of £1 were issued to Travers Smith Limited and £1 was issued to Travers Smith Secretaries Limited.

On 20 June, 1 A Ordinary share of £1 was transferred from Travers Smith Limited to Targaryen Security 1 S.a.r.l and 1 A Ordinary share of £1 was transferred from Travers Smith Secretaries Limited to Targaryen Security 1 S.a.r.l.

On 18 July 2014, 2 Ordinary shares of £1 each held by Targaryen Security 1 S.a.r.l were subdivided and re-designated into 200 A Ordinary shares of £0.01 each. 889,350 A ordinary shares were allotted, 869,800 to Targaryen Security 1 S.a.r.l and 19,550 to management.

On 13 February 2015 allotments of 62,792 B1 Ordinary shares of £0.04, and 51,167 B2 Ordinary shares with a nominal value of £0.01 were issued to members of key management.

A Ordinary Shares - Each share is entitled to one vote in any circumstance.

B1 Ordinary Shares - Each share is entitled to four votes per share in any circumstance.

B2 Ordinary Shares - There are no voting rights attached to these shares.

The issue of B shares to members of key management was a non cash transaction.

Each share is entitled pari-passu to dividend payments or any other distribution. Each share is entitled pari-passu to participate in distribution arising from a winding up of the Company.

**23. RESERVES**

<b>Group</b>	<b>Share premium account £000</b>	<b>Foreign exchange reserve £000</b>	<b>Profit and loss account £000</b>
Loss for the period	-	-	(14,094)
Premium on shares issued during the period	1,081	-	-
Costs relating to issue of B shares to key management	(42)	-	-
Movement on foreign exchange	-	1,658	-
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At 31 March 2015	1,039	1,658	(14,094)
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**TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
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**23. RESERVES (continued)**

	<b>Share premium account £000</b>
<b>Company</b>	
Premium on shares issued during the period	1,081
Costs relating to issue of B shares to key management	(42)
	<u>1,039</u>
At 31 March 2015	<u><u>1,039</u></u>

**24. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT**

	<b>2015 £000</b>
<b>Group</b>	
Opening shareholders' funds	-
Loss for the financial period	(14,094)
Shares issued during the period	13
Share premium on shares issued (net of expenses)	1,039
Foreign exchange translation reserve movement	1,658
	<u>(11,384)</u>
Closing shareholders' deficit	<u><u>(11,384)</u></u>

	<b>2015 £000</b>
<b>Company</b>	
Opening shareholders' funds	-
Shares issued during the period	13
Share premium on shares issued (net of expenses)	1,039
	<u>1,052</u>
Closing shareholders' funds	<u><u>1,052</u></u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account.

The profit for the period dealt with in the accounts of the company was £NIL.

**TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
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**25. NET CASH FLOW FROM OPERATING ACTIVITIES**

			period ended 31 March 2015 Total £000
	Continuing £000	Discontinued £000	
Operating loss	(950)	-	(950)
Amortisation of intangible fixed assets	5,845	-	5,845
Depreciation of tangible fixed assets	4,255	72	4,327
Decrease in stocks	(208)	208	-
Increase in debtors	(957)	179	(778)
Increase in creditors	2,044	118	2,162
Other creditors	(1,251)	-	(1,251)
<b>Net cash inflow from continuing operating activities</b>	<b>8,778</b>		
<b>Net cash inflow in respect of discontinued activities</b>		<b>577</b>	
<b>Net cash inflow from operating activities</b>			<b>9,355</b>

**26. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	period ended 31 March 2015 £000
<b>Returns on investments and servicing of finance</b>	
Interest paid on bank loans	(3,149)
Hire purchase interest paid	(54)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<b>(3,203)</b>
<b>Taxation</b>	
Corporation tax paid	(714)
<b>Capital expenditure and financial investment</b>	
Purchase of tangible fixed assets	(2,680)



**TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**

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**26. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)**

	period ended 31 March 2015 £000
<b>Acquisitions and disposals</b>	
Cash at bank and in hand acquired with subsidiaries	4,512
Purchase of subsidiary undertakings	(50,830)
Acquisition costs paid	(3,093)
<b>Net cash outflow from acquisitions and disposals</b>	<b>(49,411)</b>
	period ended 31 March 2015 £000
<b>Financing</b>	
Proceeds on issue of ordinary shares	890
Bank loans received	91,584
Repayment of VPS Holdings bank loans on acquisition	(57,271)
Proceeds on issue of shareholder loan notes	88,382
Repayment of VPS Holdings shareholder loan notes and liabilities on acquisition	(54,915)
Repayment of finance leases	(852)
Finance fees paid	(6,500)
Repayment of new bank loans	(1,370)
Other loans received	2,000
Refinancing of Camwatch Limited	(10,587)
<b>Net cash inflow from financing</b>	<b>51,361</b>

**27. ANALYSIS OF CHANGES IN NET DEFICIT**

	4 March 2014 £000	Cash flow £000	Acquisition £000	Other non-cash changes £000	Exchange Movement £000	31 March 2015 £000
Cash at bank and in hand	-	4,708	-	-	-	4,708
<b>Debt:</b>						
Finance leases	-	852	(1,631)	(1,077)	-	(1,856)
Debts due within one year	-	71,731	(122,773)	45,721	3,041	(2,280)
Debts falling due after more than one year	-	(123,054)	-	(53,808)	-	(176,862)
<b>Net deficit</b>	<b>-</b>	<b>(45,763)</b>	<b>(124,404)</b>	<b>(9,164)</b>	<b>3,041</b>	<b>(176,290)</b>

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**TYRION SECURITY TOPCO LIMITED (FORMERLY DE FACTO 2106 LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**28. CONTINGENT LIABILITIES**

The Group is party to a banking facility under which it has guaranteed the bank borrowings, performance bonds and guarantees of its fellow companies. The total net bank borrowings (senior debt less cash) of the Group are £82,465,000.

**29. PENSION COMMITMENTS**

The Group contributes to defined contribution pension schemes for all qualifying employees. The assets of the schemes are held and managed independently from those of the Group. The total cost of pension contributions charged to the profit and loss account is £298,000. As at 31 March 2015, contributions of £180,000 due in respect of the current reporting period had not been paid over to the schemes.

**30. OPERATING LEASE COMMITMENTS**

At 31 March 2015 the Group had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings 2015 £000</b>	<b>Other 2015 £000</b>
<b>Group</b>		
<b>Expiry date:</b>		
Within 1 year	<b>814</b>	<b>1,002</b>
Between 2 and 5 years	<b>1,291</b>	<b>410</b>
After more than 5 years	<b>266</b>	<b>-</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
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**31. RELATED PARTY TRANSACTIONS**

As at the balance sheet date the Company is a wholly owned subsidiary of Targaryen Security 1 Sarl. The Group have taken advantage of the exemption in FRS 8 from disclosing related party transactions between members of the Group.

During the period the Group incurred management charges from PAI Partners SAS of £212,500 the total balance was outstanding as at the balance sheet date. All transactions were carried out on an arm's length basis.

**32. POST BALANCE SHEET EVENTS**

On 12 June 2015, VPS (UK) Limited acquired Redfields Landscaping & Design Limited and its subsidiary Lotus Landscapes Limited for £5.0m (including transaction costs).

**33. CONTROLLING PARTY**

The ultimate and immediate parent undertaking is Targaryen Security 1 Sarl, a company which is controlled by PAI Partners.