Company Registration No. 08922409 (England and Wales)

TYRION SECURITY TOPCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

TYRION SECURITY TOPCO LIMITED

COMPANY INFORMATION

Directors	C O'Sullivan	
	L Newman	
	S Hardyman	
	D Cavanagh	
	D Downie	
	F Fouletier	
	R Jones	
	G Loftus	
	M Harrington	(Appointed 6 February 2020)
Secretary	S Hardyman	
Company number	08922409	
Registered office	Broadgate House Broadway Business Park Chadderton OL9 9XA	
Auditor	KPMG LLP One Snowhill Birmingham B4 6GH	

TYRION SECURITY TOPCO LIMITED

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TYRION SECURITY TOPCO LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their strategic report on Tyrion Security Topco Limited group of companies (the "Group", or "VPS") for the year ended 31 March 2020.

Principal activities
During the year under review, the Group and its subsidiaries operated across a number of geographical markets and sectors.

The Group's principal division is "Security Services" which is engaged as a provider of security solutions for vacant properties, infrastructure sites and construction projects. The Security Services division operates in the United Kingdom, France, Spain, Germany, Italy, the Republic of Ireland ("Ireland") and the Netherlands. The division is a leading provider to insurance companies, social housing projects, construction and infrastructure companies, property owners and managers, security managers and facilities managers. The division provides a range of services including equipment based security solutions.

The Group's "Evander" division principally provides glazing, doors and locks related services to the reactive insurance market, in which it is a market leader. The Evander division is also a leading provider of specialist noise abatement solutions that support reduction of noise in residential properties located around major rail, road and aviation infrastructure. This division operates in the United Kingdom and Northern Ireland.

The Group's "Guardians" division principally operates in the United Kingdom, the Netherlands, France, Germany and Ireland. The division provides guardians and property management services for vacant properties. The division's customers are principally local government authorities and property owners.

The Group's "Redfields" business operates predominantly in the southern regions of the United Kingdom and provides various landscaping, cleaning and grounds maintenance services to house builders, local authorities and property managers.

Review of business
The directors are satisfied with the results of the year. The business has achieved a 7.9% increase in revenue through organic growth. The Group adopted International Financial Reporting Standard 16 leases ("IFRS 16") for the first time in preparation of the financial statements. The 2020 excluding IFRS 16 key performance indicators presented in the table below exclude the accounting impact of adopting this standard. Further details relating to the adoption of IFRS 16 is provided in note 1.20 to the financial statements.

Key performance indicators

	Notes	2020 as reported (i) £'000	2020 excluding IFRS 16 (ii) £'000	2019 as reported (ii) £'000	Year on year movement (ii)
Revenue		172,084	172,084	159,424	+7.9%
Gross profit margin		41.6%	41.0%	39.7%	+1.3%
Adjusted EBITDA	1.22, 2	19,544	15,462	12,621	+22.5%
Net cash flow from operating activities		15,737	11,689	10,090	+15.8%

(i) As reported which includes the impact of applying IFRS 16
(ii) Excludes the impact of applying IFRS 16

Growth in revenue was achieved in the underlying business in the United Kingdom and in the rest of Europe. Revenue increased by 6.7% in the United Kingdom and 10.0% in the rest of Europe during the year which contributed 4.2% and 3.7% of the Group's total growth in revenue respectively.

Gross margin achieved on different lines of products and services has remained stable during the year. The overall increase in gross margin has resulted from the mix of products and services sold.

The Group has reported a 22.5% increase to "adjusted EBITDA", an alternative performance measure used by the Group to assess its underlying performance (see note 1.22). The increase in adjusted EBITDA is the result of the growth in revenue and a reduction in spending on underlying costs.

Operating cash inflow generated by the Group in the year was £15.737 million (2019: £10.090 million) and was £11.689 million excluding the impact of IFRS 16. The improvement over the prior year was the result of an increased focus on working capital management. Stronger cash inflows will support the Group's growth strategy and capital allocation framework.

Strategy
The Group is focused on *"providing Value, Protection & Security to our colleagues and customers"* and is focused on the following:

1. Implementing a **Divisional Structure** with a Lean Group Overhead
2. Strong **Controls** (both for Financial and Health & Safety related functions)
3. Improving Employee **Engagement**
4. Trading Themes:
    - **a. Be Local and Entrepreneurial** – developing customer intimacy and agilely solving their problems
    - **b. Become a World Class Selling Organisation** – being responsive, knowledgeable and ambitious
    - **c. Create Operational Efficiency** – ensuring that our cost to serve model allows us to offer value to our customers
    - **d. Become Easier to Run** – ensuring that our systems and support functions enable us to deliver highest quality of services to our customers and colleagues

The Group believes that there are growth opportunities across all of its divisions through organic growth by increasing market share, offering new products and services to existing clients, expanding regionally, and offering existing products and services to new clients. The Group also believes that there are significant M&A opportunities for the Evander division and also the Security Services division within France and the UK.

Lotus Landscapes Limited
In May 2019, the Group completed the sale of Lotus Landscapes Limited ("Lotus"); a subsidiary of the Group that engaged principally in grounds maintenance and landscaping services. Lotus was a non-core part of the Group that shared few synergies with the rest of the Group. It was decided that Lotus would benefit from new ownership.

Further details on the sale of Lotus Landscapes Limited are provided in note 13 to these financial statements.

Principal risks and uncertainties

Covid 19
The ongoing global coronavirus pandemic and the associated macro-economic uncertainty present a number of risks to the Group. With over 1,600 colleagues operating in a number of European countries it is clear that the risks to health and safety, the impact on operational and financial performance and governmental responses in the markets where we operate could be significant.

Our response to the pandemic has been swift with the health, safety and wellbeing of our colleagues being paramount, along with safely servicing our customer requirements.

The Group, whilst not viewed as counter cyclical, is resilient in an economic downturn. The actions that the Group has taken, aligned with the measures adopted by Governments in the territories in which we are present, go some way to mitigate the macro-economic risks associated with the pandemic.

The risk environment for the Group is centred around demand rather than operational capability. All operation channels have remained open with a number of changes to reflect government advice around social distancing.

Principal risks and uncertainties continued

The Group's Evander division is the most exposed to the impact of the pandemic and has reported lower revenue, profits and cash against internal forecasts for the year. A number of actions have been taken by Management to mitigate shortfalls in revenue, profit and cash in this business. Our Security Services division, which accounts for over 60% of our annual revenues, is experiencing increased demand as a result of the pandemic and is proving resilient. Increased operating costs due to investment in personal protective equipment and other COVID-19 related costs have been mitigated by actions to rationalise the operating cost base and by targeted revenue adjustments in non-profitable service lines.

Risk mitigation
Detailed Business Continuity Plans across all Divisions have been implemented to ensure that the Group actively manage disruptions caused by the pandemic; centred around four key areas:

1. Maximising Revenue
2. Managing Conversion of Cash
3. Matching Resource to Activity
4. Leveraging Government Support

A number of actions have been taken to protect our colleagues and to deliver the products and services to our customers safely. We have been in consultation with our supply chain to ensure continuity of supply of key materials and products.

The Group has put in place processes to ensure that our colleagues can continue to perform their roles via home working where necessary, which ensures continuation of key activities.

Our liquidity position remains strong and our balance sheet robust. Detailed liquidity planning is in place across all divisions to ensure that our financial position is protected.

Continuing mitigation priorities
The Group continues to respond dynamically to the evolving risks and challenges arising as a result of the pandemic and to what is a constantly changing situation. We will continue with the management approach implemented at the start of the pandemic enabling us to react swiftly to protect our key stakeholders until the impact of COVID-19 subsides.

Our priorities remain the health and safety of our colleagues, customer service, financial discipline and business continuity.

Brexit
The United Kingdom ("UK") has left the European Union ("EU") at midnight on 31 January 2020. A transition period is now in place until 31 December 2020. During this period, all EU rules and regulations will continue to apply to the UK. Provided that both the UK and the EU agree, this transition period may be extended once by two years, until 31 December 2022.

The Group has conducted a review of its revenue streams and this review supports an assessment that, to date, a no-deal Brexit would present a limited potential risk, if any, to its revenue and liquidity forecasts. The subsidiaries of the Group carry out business activities principally in the countries in which they reside. There are very few transactions that are carried out by subsidiaries with third parties outside of their country of residence.

The Group's staff and workforce in the United Kingdom comprise a proportion of European Union nationals. Reviews carried out by the Group supported an assessment that a no-deal Brexit will have limited impact, if any, on the Group's ability to retain and recruit staff.

The UK business procures some of its security equipment for its core business from suppliers in other European Union states. The Group's assessment highlighted that a no-deal Brexit may introduce additional customs procedures when importing security equipment into the United Kingdom. Except for security equipment capital assets, the Group has minimal level of direct imports from other European Union states into the United Kingdom and vice versa.

The Group has concluded that the impact of Brexit on its operations to be a limited potential risk. The management will continue to monitor the risks associated with the development of the Brexit process.

Other principal risks and uncertainties
The Group considers the following to be its principal risks to the development, performance, position or future prospects of the Group.

An assessment of each risk is provided below. The risks have not been presented in order of priority or importance.

Risk and Potential Impact	Mitigation actions and controls	Link to business model and strategy
People (moderate risk) Ability to attract and retain high-quality and capable staff at all levels of the organisation.	- Provide and maintain a safe environment for all employees - Operate a remuneration structure designed to encourage superior performance - Embed employee engagement and proactive employee development into business processes	- Employee Engagement - Controls (Health & Safety)
Changes in market demands (low risk) There are trends in certain sectors of the market that are moving towards technology-driven security solutions in place of the traditional manned guarding or fixed CCTV security solutions.	- The Group's technology driven solutions are often less than 10% of the cost of traditional manned guarding - Continue investment in new products and solutions - Innovative use of technology	- Local & Entrepreneurial - World Class Selling Organisation
Liquidity (low risk) The liquidity position of the Group is underpinned by bank borrowings; any non-compliance with financial banking covenants would have a significant impact on the Group's liquidity position	- Strong treasury management controls - Rigorous budgeting, planning and monitoring processes on financial covenants to ensure sufficient headroom for the business at all times	- Controls (Financial)
Competition and Pricing (moderate risk) Certain markets that the Group operates in have lower barriers to entry. In some sectors, small competitors are attempting to compete for tenders based primarily on lower prices. Social housing budgets in some of our key markets have been reducing in recent years, which have led to an increased focus by customers on pricing.	- Provide quality services and solutions - Often the Group is the only service provider that can provide property services, security and other labour-based services across a geographical market. - Continue to undertake programs to ensure that the cost to serve clients is competitive versus lower cost providers. It is very important to ensure the Group delivers value to its clients.	- Be Local & Entrepreneurial - Selling Organisation - Operational Efficiency
Credit Risk (moderate risk) The Group has limited exposure to credit loss in the social housing and local authority markets. In the Commercial sector, the majority of the Group's customers are recognised international property managers and large corporate landowners with a low credit risk. The Group however recognises that in the construction sector, a key vertical market for growth for the Group has an inherently higher credit risk.	- Strong credit control functions	- Become Easier to Run - Controls (Financial)

Interest Rates and Foreign Exchange (moderate risk) The Group holds floating-rate borrowings denominated in British Pounds Sterling and Euros. The Group recognises cash flow related risk resulting from change in EURIBOR and LIBOR benchmark rates and changes in British Pounds Sterling to Euro exchange rate.	- Treasury and risk management policies and controls	- Controls (Financial)
Information technology systems (moderate risk) The Group operates a number information technology systems including some that are bespoke and customised for the operations of the business. Any failures to these systems would have an impact on our ability to deliver quality services our customers.	- Plans are in place to upgrade and/or replace existing systems - Full disaster recovery plans are in place	- Become Easier to Run
Technology (low risk) The Group maintains a fleet of security equipment that utilises various technologies to provide security services. As new technology are developed our fleet of equipment may become less competitive on operational cost or on functionalities	- Full refurbishment and maintenance program in place - Investments in and development of new equipment	- Operational Efficiency - Controls (Financial)

Engaging with our stakeholders

A director of a company must act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole, taking into account the factors as listed in section 172 of the Companies Act 2006.

Engagement with our shareholders and wider stakeholder groups plays a vital role throughout the business. By understanding our stakeholders, we can factor into boardroom discussions the potential impact of our decisions on each stakeholder group and consider their needs and concerns.

The directors consider that the following groups are the Company's key stakeholders. The directors seek to understand the respective interests of such stakeholder groups so that these may be properly considered in decisions. The directors do this through various methods, including: direct engagement by board members; receiving reports and updates from members of management who engage with such groups; and coverage in our board papers of relevant stakeholder interests with regard to proposed courses of action. Each stakeholder group requires a tailored engagement approach to foster effective and mutually beneficial relationships.

Stakeholder	Their interests	How we engage
Our people	Health and safety and working conditions Training, development and prospects Fair pay and benefits	Regular training sessions Intranet, all-staff emails and newsletters Workforce posters and communications Whistleblowing services Annual Employee engagement survey reported to executive board Board receives reports on a range of people matters Board provides regular business updates which are shared widely Leadership walks
Our customers	Safety Service and product performance Range of solutions Efficiency	Initial meetings and negotiations KPIs and feedback Customer complaints Contact centre Marketing and communications Executive director approval on significant contracts Executive director engagement with senior executives of major customers Board updates on trading and customer initiatives Customer interests considered in key executive decisions
Our suppliers	Performance Quality Capability Payment terms Fair trading Anti-bribery and corruption Anti-slavery Long term partnerships Terms and conditions	Initial meeting and negotiations Senior management engagement Corporate responsibility reporting Board approval on significant orders

Our investors	Comprehensive view of financial performance of the business Comprehensive and reliable future plans Environmental, social and governance factors	Regular meetings Annual report Corporate website ESG reporting Off site days
Regulatory bodies	Health and safety Compliance with regulators Worker pay and conditions Consumer protections	Direct engagement with regulators Regular reports from business on range of regulatory and issues to executive board

On behalf of the board

R Jones
Director
29 July 2020

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

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

C Afors	(Resigned 20 July 2020)
C O'Sullivan	
L Newman	
S Hardyman	
D Cavanagh	
D Downie	
F Fouletier	
R Jones	
G Loftus	
M Harrington	(Appointed 6 February 2020)

Results and dividends
The loss for the year after taxation amounted to £12.0 million (2019: profit of £14.7 million). The directors do not recommend the payment of a dividend for the year (2019: £nil).

Equal opportunities and employment policy
The Group is committed to offering equal opportunities to all; no employee or potential employee receives more or less favourable treatment due to their gender, age, race, national or ethnic origin, disability, sexual orientation, or marital status. The Group is committed to the training and development of all employees and to providing a productive working environment.

Should an existing employee's circumstances change, it is the Group's policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training and career development and promotion wherever possible.

Employee involvement
During the year, the policy of providing employees with information about the Group has continued through regular employee updates, including increased use of social media, together with divisional meetings. Employees are actively encouraged to present their suggestions and views on the Group's performance. A free flow of information between the directors, managers and employees ensures that every person has an opportunity to contribute ideas to the Group.

Health and safety
The Group strives to provide and maintain a safe environment for all employees, clients and visitors to its premises and comply with the relevant health and safety legislation. The Group is committed to the wellbeing of its employees and actively promotes best practice in the work place.

The environment
The Group recognises that it is part of the wider community of employees, clients and suppliers amongst others and recognises that it has a responsibility to act in a way that respects the environment. The Group actively encourages staff to act in an environmentally responsible manner, particularly in the development of recycling and energy conservation policies to ensure finite resources are not dissipated.

Political donations
Neither the company nor any of its subsidiaries made any disclosable political donations or incurred any disclosable political expenditure during the year.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Group's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on pages 1 to 8.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Going Concern

The directors have prepared the accounts using the going concern assumption, in doing so they have considered severe yet plausible downside scenarios. More details of which are set out in Note 1 to the financial statements.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the board

R Jones
Director
29 July 2020

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare both the group and the parent company financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TYRION SECURITY TOPCO LIMITED

Opinion

We have audited the financial statements of Tyrion Security Topco Limited ("the company") for the year ended 31 March 2020 which comprise the consolidated income statement and statement of comprehensive income, consolidated balance sheet, consolidated changes in equity, consolidated statement of cash flows and related notes, including the accounting policies in note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2020 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU);
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the company will continue in operation.

Strategic report and directors' report
The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception
Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

Responsibilities of directors
As explained more fully in their statement set out on page 10, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TYRION SECURITY TOPCO LIMITED

The purpose of our audit work and to whom we owe our responsibilities
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.

Anna Barrell

Anna Barrell (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Birmingham
B4 6GH

29 July 2020

TYRION SECURITY TOPCO LIMITED

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £'000	2019 £'000
Revenue	4	172,084	159,426
Cost of sales		(100,632)	(96,205)
Gross profit		71,452	63,221
Administrative expenses		(68,786)	(64,940)
Net impairment loss on trade receivables and contract assets		(1,016)	(719)
Non-underlying expenses	3	(7,242)	(11,258)
Total administrative expenses		(77,044)	(76,917)
Operating loss (Adjusted EBITDA is disclosed in Note 2)	5	(5,592)	(13,696)
Finance costs	7	(5,533)	(9,431)
Other gains and losses	8	-	36,421
(Loss)/profit before taxation		(11,125)	13,294
Taxation	9	(878)	1,432
Profit / (loss) from continuing operations		(12,003)	14,726
Profit / (loss) for the year		(12,003)	14,726
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Actuarial gain / (loss)		(136)	8
Foreign exchange reserve movement		(48)	(571)
Total comprehensive income / (loss) for the year		(12,187)	14,163

All of the comprehensive income or loss is attributable to the equity holders of the parent undertaking.

The accompanying notes form an integral part of these financial statements.

TYRION SECURITY TOPCO LIMITED

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £'000	2019 £'000
Non-current assets			
Property, plant and equipment	**10**	19,513	11,441
Intangible assets	**11**	57,496	65,977
		77,009	77,418
Current assets			
Inventories	**15**	1,685	1,739
Contract assets	**4**	2,985	2,677
Trade and other receivables	**16**	28,820	28,993
Cash and cash equivalents		23,281	18,024
		56,771	51,433
Total assets		133,780	128,851
Current liabilities			
Interest-bearing loans and borrowings	**19**	(2,580)	(872)
Lease liability - IFRS 16	**19**	(3,388)	-
Trade and other payables	**17**	(44,378)	(37,522)
Contract liabilities	**4**	(2,267)	(2,521)
Provisions	**21**	-	(1,491)
Deferred tax liabilities	**14**	-	(789)
		(52,613)	(43,195)
Total assets less current liabilities		81,167	85,656

TYRION SECURITY TOPCO LIMITED

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £'000	2019 £'000
Equity attributable to equity holders of the parent			
Share capital	**22**	24	24
Share premium	**22**	21,582	21,545
Other reserves		152,460	152,508
Retained earnings		(191,840)	(179,701)
Total equity		(17,774)	(5,624)
Non-current liabilities			
Interest-bearing loans and borrowings	**19**	65,823	64,698
Lease liability - IFRS 16		5,110	-
Trade and other payables	**17**	20,059	18,648
Provisions	**21**	1,441	1,761
Deferred tax liabilities	**14**	6,508	6,173
		98,941	91,280
Total equity and non-current liabilities		81,167	85,656

The accompanying notes form an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 29 July 2020 and are signed on its behalf by:

R Jones
Director
Company Registration No. 08922409

TYRION SECURITY TOPCO LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Share capital £'000	Share premium £'000	Translation reserves £'000	Other reserves £'000	Retained earnings £'000	Total £'000
Balance at 1 April 2018		23	1,545	3,486	98,875	(194,435)	(90,506)
Profit and total comprehensive income for the year		-	-	-	-	14,726	14,726
Issue of share capital		1	20,000	-	-	-	20,001
Other comprehensive income		-	-	(571)	-	8	(563)
Capital contribution		-	-	-	50,718	-	50,718
Balance at 31 March 2019		24	21,545	2,915	149,593	(179,701)	(5,624)
Year ended 31 March 2020:							
Loss and total comprehensive income for the year		-	-	-	-	(12,003)	(12,003)
Issue of share capital	**22**	-	37	-	-	-	37
Other comprehensive income		-	-	(48)	-	(136)	(184)
Balance at 31 March 2020		24	21,582	2,867	149,593	(191,840)	(17,774)

TYRION SECURITY TOPCO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £'000	2019 £'000
Cash flows from operating activities			
Profit / (loss) for the year		(12,003)	14,726
Adjustments for:			
Depreciation, amortisation and impairment		18,681	16,974
Foreign exchange (gains) / losses		(85)	(255)
Finance (income) / expenses		4,879	(27,890)
Profit on sale of property, plant and equipment		(115)	724
Loss on sale of subsidiary		599	-
Impairment loss on remeasurement of disposal group		-	899
Taxation		878	(1,431)
		12,834	3,747
Decrease) / (increase) in contract assets, trade and other receivables		(839)	4,358
(Increase) / decrease in inventories		54	138
Increase in contract liabilities, trade and other payables		6,264	389
Decrease / (increase) in provisions		(1,811)	1,326
		16,502	9,958
Tax paid		(765)	132
Net cash flow from operating activities		15,737	10,090
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets		(5,407)	(4,810)
Proceeds from sale of property, plant and equipment		913	642
Net cash flow used in investing activities		(4,494)	(4,168)
Cash flows from financing activities			
Proceeds from issue of shares		38	-
Proceeds from new loan		727	-
Loans received from related parties		-	15,000
Interest paid		(2,414)	(4,331)
Repayment of borrowings		-	(1,959)
Payment of lease liabilities - IFRS 16		(3,574)	-
Payment of finance lease liabilities		(1,015)	(1,403)
Net cash flow from financing activities		(6,238)	7,307
Net increase / (decrease) in cash and cash equivalents		5,005	13,229
Cash and cash equivalents at 1 April		18,024	4,898
Effect of movement in exchange rates on cash held		252	(103)
Cash and cash equivalents at 31 March		23,281	18,024

The accompanying notes form an integral part of these financial statements.

1 Accounting policies

Corporate information
Tyrion Security Topco Limited (the "Company" or the "parent") is a private company limited by shares incorporated and domiciled in England and Wales. The registered office of the Company is located at Broadgate House, Broadway Business Park, Chadderton, OL9 9XA.

The Company and its subsidiaries (collectively, the "Group") principally engage in the provision of security services, property guardians, grounds related services and glazing, doors and locks related services.

1.1 Basis of preparation

The principal accounting policies adopted by the Group are set out below. These policies have been applied consistently to all periods presented unless otherwise stated. The consolidated financial statements of the Group (the "financial statements") present information about the group consisting of the Company and its subsidiaries. The financial statements were authorised for issue by the Company's board of directors.

Compliance with International Financial Reporting Standards
The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by IFRS Interpretations Committee as adopted by the European Union ("EU") and with Companies Act 2006 applicable to companies reporting under IFRS in the United Kingdom.

Use of judgement and estimates
The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the carrying amounts of assets and liabilities where values are not readily apparent from other sources. Management is also required to exercise judgement, other than those involving estimations, in the application of the Group's accounting policies.

Areas where judgement and estimates have been applied that have a significant impact on the financial statements are detailed in note 1.23.

Measurement convention
The financial statements have been prepared on a historical cost basis, except for certain financial assets *and financial liabilities that are measured at fair value.*

New financial reporting requirements
The Group has applied IFRS *16 Leases* for the first time in preparing the financial statements for the annual reporting period commencing on 1 April 2019. The Group has revised its accounting policies and methodologies, and made certain adjustments following the adoption of these standards and which are disclosed in note 1.20. Comparative information throughout these financial statements has not been restated.

A number of EU-endorsed amendments to existing IFRS and interpretations were effective for annual reporting periods beginning on or after 1 January 2019 and have been applied in preparing the financial statements of the Group. There is no material effect on the financial statements by applying the amended standards.

1 Accounting policies **(Continued)**

1.2 *Going concern*

The Group's business activities, together with the factors likely to affect its future development, performance and financial position are set out in the Strategic Report on pages 1 to 8. The financial position of the Group and its cash flows are described in pages 15 to 19.

In addition, note 18 to the financial statements describes the Group's main areas of financial risk and the processes for managing exposure to credit risk, liquidity risk, currency risk and interest rate risk.

The Group currently meets its day-to-day working capital requirements out of the cash balances that it retains. At the balance sheet date, the Group held cash balances of £23.2 million and an revolving credit facility of £1 million of which £0.1 million was undrawn. The revolving credit facility forms part of the committed bank facilities that is due to expire in July 2022. The Group's obligations in relation to these loans are described in note 19.

Except for balances drawn on the revolving credit facility, bank loans are repayable commencing from September 2020. At the balance sheet date the bank loans outstanding were £63.1 million.

The Group also has debt obligations of £17 million under a loan facility from its shareholder that is repayable on expiry in July 2022.

Management has produced forecasts that have also been sensitised to reflect severe but plausible downside scenarios as a result of the COVID-19 pandemic and its impact on the global economy, which have been reviewed by the directors. These demonstrate the Group is forecast to generate sufficient profits and cash in the year ending 31 March 2021 and beyond, and that the Group has sufficient cash reserves to enable the Group to meet its obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements.

As such, the directors are satisfied that the Group has adequate resources to continue to operate for the foreseeable future. For this reason, they continue to adopt the going concern basis for preparing these financial statements.

1 Accounting policies **(Continued)**

1.3 Basis of consolidation

The financial statements of the Group incorporate the financial statements of the Company and its subsidiaries.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration voting rights and all relevant facts and circumstances that afford the Group power over the entity. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Change in subsidiary ownership and loss of control

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Where the Group loses control of a subsidiary, the assets and liabilities are derecognised along with any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated on consolidation. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.4 Foreign currency

The functional and presentational currency of the parent is British Pound Sterling. The financial statements of the Group are presented in British Pound Sterling and all values are rounded to the nearest thousand pound (£'000) except where otherwise indicated.

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the foreign exchange rate ruling at the balance sheet date. Foreign exchange differences arising on translation are recognised in the income statement and the statement of comprehensive income.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, British Pound Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the period where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve. When a foreign operation is disposed of, such that control is lost, the entire accumulated amount in the translation reserve, net of amounts previously attributed to non-controlling interests, is recycled to profit or loss as part of the gain or loss on disposal.

1 Accounting policies (Continued)

1.5 Financial instruments

Classification and measurement

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at fair value through other comprehensive income ("FVOCI") if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets not classified as measured at amortised cost or FVOCI as described above are measured at fair value through profit and loss ("FVTPL"). This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial instruments issued by the Group are recognised as equity only to the extent that they meet the following two conditions:

a. they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
b. where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1 Accounting policies **(Continued)**

Derecognition
The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non cash assets transferred or liabilities assumed) is recognised in the income statement.

1.6 Non-derivative financial instruments
Non-derivative financial instruments comprise trade and other receivables including contract assets, cash and cash equivalents, trade and other payables including contract liabilities, interest-bearing loans and borrowings, and equity instruments.

Trade and other receivables including contract assets
Trade receivables are measured initially at transaction price and other receivables are recognised initially at fair value. Trade and other receivables are subsequently measured at amortised cost using the effective interest method, less allowance for credit losses.

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand, deposits held on call and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other payables including contract liabilities
Trade and other payables represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. These amounts are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method.

Interest-bearing loans and borrowings
Interest-bearing loans and borrowings are recognised initially at fair value net of transaction costs incurred, and are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Equity instruments
Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

1 Accounting policies **(Continued)**

1.7 Derivative financial instruments

The Group has elected to adopt the new general hedge accounting model in IFRS 9. This requires the Group to ensure that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward looking macro-economic information approach to assessing hedge effectiveness.

The Group's risk management policies include the use of derivative instruments to manage interest rate and foreign exchange related risks.

Derivative financial instruments are recognised initially at fair value and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

Changes in fair value of the derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement as they arise.

1.8 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the income statement on a straight line basis over the estimated useful economic lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful economic lives are as follows:

Plant and equipment	6 years
Rental equipment	2 - 6 years
Motor vehicles	4 years

Depreciation methods, useful economic lives and residual values are reviewed at each balance sheet date.

1.9 Business combinations

All business combinations are accounted for by applying the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as the excess of the fair value of the consideration transferred, plus the recognised amount of any non-controlling interests in the acquiree, plus the fair value of the existing equity interest in the acquiree over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.
Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred and disclosed as non-recurring administrative expenses.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

1 Accounting policies **(Continued)**

1.10 Intangible assets and goodwill

Goodwill
Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash generating units and is not amortised but is tested annually for impairment. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment in the investee.

Research and development
Expenditure on research activities is recognised in the income statement as an expense as incurred.
Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends to and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Other intangible assets
Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation
Amortisation is charged to administrative expenses in the income statement on a straight line basis over the estimated useful economic lives of intangible assets. The estimated useful economic lives vary within the ranges set out below depending on the trading characteristics of the businesses to which the assets relate and the Group's long- term plans for those businesses:

• patents and trademarks	5 years
• customer-related intangibles	5 - 12 years
• marketing and brand intangibles	3 - 15 years
• technology intangibles	6 years

Goodwill is systematically tested for impairment at each balance sheet date.

1.11 Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is based on a first-in first-out principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition.

1 Accounting policies **(Continued)**

1.12 Impairment

Financial instruments and contract assets
The Group assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Twelve month expected credit losses are the portion of expected credit loss that result from default events that are possible within the twelve months after the reporting date (or a shorter period if the expected life of the instrument is less than twelve months).

Credit-impaired financial assets
At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired, and there is no reasonable expectation of recovery. A financial asset is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-offs
The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual clients, the Group has a policy of writing off the gross carrying amount when the financial asset is 365 days past due based on historical experience of recoveries of similar assets. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

1 Accounting policies **(Continued)**

Non-financial assets
The carrying amounts of the Group's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.13 Employee benefits

Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Short-term benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payment transactions
Where proceeds received for shares issued by the Company to senior management of subsidiary undertakings are less than the fair value of the shares issued, the difference between proceeds received and the fair value of the shares issued is charged to the income statement. Share capital and share premium are credited with the fair value of the shares issued.

1 Accounting policies **(Continued)**

1.14 Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.15 Revenue

Revenue from contracts with customers is recognised consistent with the transfer of promised goods and services to the customer in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services.

Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-priced contracts, revenue is recognised based on the actual goods and services provided to the end of the reporting period as a proportion of the total goods and services to be provided. This is determined based on an allocation of the transaction price to each performance obligation of the contract.

The transaction price is measured at fair value of the consideration received or receivable, excluding sales taxes.

The Group's major services and product lines are as follows:

Security services and guardians
Security and guardians services provided by the Group are used to improve the security of properties and sites for a period of time. The services include access control, monitoring, guardians and guarding, and may include the use of certain equipment such as alarms, security towers and steel security screens.

Revenue from security services are recognised over time based on the actual services provided in proportion to the period contracted for the services.

Glazing, doors and locks related services
Services in relation to glazing, doors and locks provided by the Group include repairs, installation and the provision of the products. Revenue from these activities is recognised at the point in time when the goods and services are provided.

Properties and grounds related services
The range of services provided by the Group in relation to properties and grounds includes property clearance, cleaning and grounds maintenance.

Where the Group is contracted to provide an agreed set of services for a period of time, or where the completion of a service spans a significant period of time, revenue is recognised over the contracted period in proportion to the contract price based on the services provided, or based on the degree of completion of the service. For services that do not span a period of time, revenue is recognised at the point when the goods and services are provided.

Other
Goods and services provided by the Group that are principally fulfilled at a point in time. Revenue is recognised when the goods and services are provided.

1 Accounting policies **(Continued)**

1.16 Expenses

Financing income and expenses
Financing expenses comprise interest payable, the financing element of finance leases recognised in profit or loss using the effective interest method and unwinding of the discount on provisions. Financing income comprises interest receivable on funds invested, dividend income, and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.17 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax
Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax
Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1 Accounting policies **(Continued)**

1.18 Non-current assets or disposal groups held for sale and discontinued operations

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and that a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, financial assets and investment property that are carried at fair value and assets arising from employee benefits.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been closed, disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon closure, disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is restated as if the operation has been discontinued from the start of the comparative period.

1 Accounting policies **(Continued)**

1.19 Leases

The Group has applied International Reporting Standard 16 *Leases* ("IFRS 16") for the first time in preparation of these financial statements using the modified retrospective approach. Accordingly, the comparative information has not been restated and continues to be reporting under International Accounting Standard 17 *Leases* ("IAS 17"). The impact of the adoption of IFRS 16 on the financial statements is disclosed in note 1.20.

Policy under IFRS 16

At the inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified assets, which may be specified explicitly or implicitly, and should physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified;

- the Group has the right to obtain substantially all of the economic benefits from use of the assets throughout the period of use; and

- the Group has the right to direct the use of the asset. The Group has his right when is has decision making rights that are most relevant to changing how and for what purpose the asset is used.

At the inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right of use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful lives of the assets or the end of the lease term. The estimated useful lives of the right to use assets are determined on the same basis as those of property, plant and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

1 Accounting policies **(Continued)**

Lease payments, included in the measurement of lease lability comprise the following:

- fixed payments, including in substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payment under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in profit or loss if the carrying amount of the right of use assets has been reduced to zero.

Short term leases and leases of low value assets

The Group has elected not to recognised right of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

Policy for comparative information under IAS 17

In the comparative period, as a lessee the Group classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent.

Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Asset held under other leases were classified as operating leases and were not recognised in the statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight line basis over the term of the lease.

1 Accounting policies **(Continued)**

1.20 Changes in accounting policies

Except for the changes below, the Group has consistently applied the accounting policies to all periods presented in these financial statements.

Application of IFRS 16 Leases

In the current annual period, the IFRS 16 became effective for the Group. The standard introduces a single model for lessees to account for leases, and it removes the requirement for lessees to classify leases as either operating or finance leases. Lessees are required to recognise right-of-use asset and related lease liability for substantially all of its operating leases on the balance sheet.

The Group has applied IFRS 16 for the first time in these financial statements using the modified retrospective approach and has applied the standard retrospectively with the cumulative effect of the initially applying the standard recognised at the date of initial application (1 April 2019) as an adjustment to retained earnings. Accordingly, the comparative financial information has not been restated and will continue to be reported under IAS 17.

For each lease, the liability have been measured at the present value of the remaining lease payments and the right-of-use assets was set equal to the lease liability subject to certain adjustments.

When applying IFRS 16, the Group has applied the following practical expedients on date of initial application:

- Reliance on previous assessments on whether leases are onerous instead of performing an impairment review;
- Exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application;
- The accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases; and
- The use of hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

On the transition to IFRS 16, the Group recognised additional right of use assets and lease liabilities as follows:

	£'000
Right-of-use assets	11,078
Lease liabilities	10,852
Weighted average discount rate applied	4.9%

	£'000
Operating lease commitment at 31 March 2019 as previously disclosed	9,524
Impact of discounting	(419)
Recognition of exemption for short term leases	(833)
Definition of leases, extension and termination options	2,580
Lease liabilities recognised at 1 April 2019	10,852

1 Accounting policies **(Continued)**

Impact of IFRS 16 on these financial statements

The application of IFRS 16 for the preparation of these financial statements resulted in the following:

- In the year ended 31 March 2020, deprecation expense increased by £3.881 million and finance costs increased by £0.477 million. Cost of sales and other operating expenses decreased by £0.833 million and £0.414 million respectively.

At the balance sheet date, the group held in the statement of financial position additional right-of-use assets of £8.511 million and lease liabilities of £8.498 million as a result of applying IFRS 16.

1.21 Financial reporting standards applicable for future financial periods

A number of new standards and amendments to existing standards are effective for annual periods beginning after 1 January 2019 and have not been applied by the Group in preparing these consolidated financial statements. The standards and amendments include:

- Amendments to References to Conceptual Framework in IFRS Standards (effective 1 January 2020)
- IFRS 17 Insurance Contracts (effective 1 January 2021, but not yet adopted by the EU)

Of those standards that are not yet effective, none is expected to have a material impact on the Group's financial statements in the period of initial application.

1 Accounting policies **(Continued)**

1.22 Alternative performance measures

In the reporting of financial information, the directors have adopted various alternative performance measures to provide additional useful information. These measures principally highlight underlying trends and performance, or function as key performance indicators.

Alternative performance measures are not defined under IFRS and are termed "non-GAAP measures". They are not designed to be a substitute for, or superior to, IFRS measures, and they may not be directly comparable to the similarly titled performance measures adopted by other entities.

The alternative performance measures presented in these financial statements are as follows:

Non-underlying expenses

The Group's income statement identifies trading results including non-underlying expenses separately.

Non-underlying expenses comprise of costs that are principally one-off or non-recurring in nature, including, but not limited to, expenditures incurred relating to business restructuring, potential acquisitions, loan refinancing, and other costs that are not reflective of the underlying performance of the Group.

The directors believe that presenting the financial results this way is relevant to the underlying financial performance of the Group, as non-underlying expenses are identified by virtue of their size, nature and incidence. The presentation is consistent with the financial performance reported to the Board of the Company and to senior management. In determining whether an event or a transaction is treated as a non-underlying administrative expense, management considers quantitative and qualitative factors such as frequency of occurrence.

Adjusted EBITDA

Adjusted EBITDA is a measure of the underlying operating profit. The measure excludes non-underlying administrative expenses, interest income and expenses, foreign exchange gains and losses, depreciation and amortisation.

Adjusted EBITDA is related to some of the measures used in a Senior Facility Agreement under which a consortium of banks provides credit facilities to the Group, and is therefore a key indicator of the Group's liquidity.

Further details of adjusted EBITDA are provided in note 2 to these financial statements.

1 Accounting policies **(Continued)**

1.23 Significant judgments and estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the carrying amounts of assets and liabilities. Management is also required to exercise judgement, other than those involving estimations, in the application of the Group's accounting policies.

The estimates and associated assumptions are based on historical experience and various other factors that are considered to be relevant, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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 year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

- In relation to the Group's property, plant and equipment (note 10), useful economic lives and residual values of assets have been established using historical experience and an assessment of the nature of the assets involved. Assets are assessed on an ongoing basis to determine whether circumstances exist that could lead to potential impairment of the carrying value of such assets. No circumstances have been identified to suggest that this is the case.

- Goodwill is reviewed annually to assess the requirement for impairment. Other intangible assets are assessed on an ongoing basis to determine whether circumstances exist that could lead to the conclusion that the carrying value of such assets is not supportable. Impairment testing on goodwill is carried out in accordance with the analyses described in note 11. Such calculations require judgement relating to the appropriate discount factors and long-term growth prevalent in particular markets as well as short-term business performance. The directors draw upon experience as well as external resources in making these judgements.

- The Group is required to estimate the cost of settling dilapidation obligation for it property leases. Dilapidations are by their nature subjective and are calculated using industry standard financial metrics per square foot of office / depot space.

- The classification of an item of expenditure as non-underlying expenses requires judgement to determine whether the item of expenditure is part of the normal underlying operating activities.

In determining when revenue from a contract with a customer is to be recognised, it is necessary to determine the nature of the contractual obligations and when a customer obtains control of the goods and services. Determining the nature of the contractual obligations and timing of the transfer of control over goods and services require judgement.

2 Adjusted EBITDA

	2020 £'000	2019 £'000
Operating loss	(5,592)	(13,696)
Add back:		
Depreciation	9,136	6,057
Amortisation	8,568	10,180
Impairment of intangibles	977	737
Non-underlying costs	6,265	10,521
Foreign exchange losses / (gains)	190	(1,178)
Adjusted EBITDA	19,544	12,621
Impact of applying IFRS 16	(4,082)	-
Adjusted EBITDA without impact of applying IFRS 16	15,462	12,621

Adjusted EBITDA as calculated above is a preferred alternative performance measure of the underlying operating performance of the business.

3 Non-underlying expenses

Included in the income statement are the following:	2020 £'000	2019 £'000
Non-underlying expenses:		
Adviser fees (1)	1,236	2,700
Acquisition costs (2)	15	-
Restructuring costs (3)	2,637	2,820
Other (4)	2,377	5,001
Total non-underlying expenses	6,265	10,521
Impairment loss on intangibles	977	737
Total	7,242	11,258

1. Included within adviser fees are amounts that related to financial modelling and professional advice received on business restructuring activities that occurred during the year.
2. Acquisition and disposal related costs comprise of legal and professional fees incurred on potential acquisitions and disposals.
3. Restructuring costs relate to amounts incurred to transform business operations including people-related costs such as severance pay, recruitment fees and incremental staff costs.
4. Other non-underlying costs include losses arising following the COVID-19 outbreak, including an additional credit loss provision of £1 million. Other non-underlying costs also includes property exit costs, and other costs that are one-off in nature or not reflective of the underlying performance of the Group.

Non-underlying expenses is an alternative performance measure used by the management to assess the underlying financial performance of the Group. Further details of non-underlying expenses are provided in note 1.22.

4 Revenue

In the following table, revenue is disaggregated by primary geographical markets, major products / service lines and timing of revenue recognition.

	2020 £'000	2019 £'000
Primary geographical markets:		
United Kingdom	106,509	99,811
Other EU member states	65,575	59,615
	172,084	159,426
Major products / service lines and revenue recognition:		
Security services - over time	105,432	80,689
Glazing, doors and locks related services – point in time	51,293	43,410
Guardians - over time	10,217	9,091
Grounds related services – principally over time	5,142	17,615
Other – principally point in time	-	8,621
	172,084	159,426
Revenue recognition		
Over time	127,814	107,395
Point in time	44,270	52,031
	172,084	159,426

	2020 £'000	2019 £'000
Contract assets and liabilities		
Trade receivables	23,567	24,912
Contract assets	2,985	2,677
Contract liabilities	(2,267)	(2,521)

Significant changes in the contract assets and the contract liabilities balances during the period are as follows:

	2020 £'000
Contract liabilities	
Revenue recognised that was included in the contract liability balance at the beginning of the period	2,226
Increases due to cash received, excluding amounts recognised as revenue during the period	(1,972)
Contract assets	
Transfers from contract assets recognised at the beginning of the period to receivables	(2,434)
Increases as a result of changes in the measure of progress	3,736
Impairment of contract assets	(1,016)

4 Revenue (Continued)

Contract assets primarily relate to the Group's rights to consideration for work completed but not invoiced at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

Contract liabilities primarily relate to the advance consideration received from customers for goods and services. For services, contract liabilities relate to advance consideration for services, including security services, which are generally fulfilled evenly over time.

No information is provided about remaining performance obligations that have an original expected duration of one year or less, as allowed by IFRS 15.

5 Operating loss

	2020 £'000	2019 £'000
Operating loss for the year is stated after charging/(crediting):		
Amortisation of intangible assets	8,568	10,180
Impairment of intangibles assets	977	737
Depreciation:		
- of owned property, plant and equipment	5,309	4,824
- of property, plant and equipment held under hire-purchase and finance leases	3,827	1,233
(Profit) / loss on disposal of property, plant and equipment	(521)	103
Operating lease rentals - plant and machinery	-	639
Operating lease rentals - vehicles	-	1,931
Auditors remuneration:		
- audit of these financial statements	16	14
- audit of subsidiary undertaking financial statements	323	302
Fees payable to the Company's auditor and its associates in respect of:		
- taxation compliance services	65	51
- other tax advisory services	369	30

Fees payable to the Company's auditor and its associates relates to services provided to the Group.

Impairment of intangible assets represents an impairment loss recognised against goodwill of £977,000 (2019: £737,000) charged as a non-underlying expense (note 3).

6 Employees

The average monthly number of persons (including directors) employed by the Group during the year was:

	2020 Number	2019 Number
Operational	1,050	999
Administration, sales and marketing	630	721
	1,680	1,720

6 Employees **(Continued)**

The aggregate payroll costs of these persons were as follows:

	2020 £'000	2019 £'000
Wages and salaries	53,865	54,560
Social security costs	8,725	7,924
Pension costs	2,126	2,031
	64,716	64,515

7 Finance costs

	2020 £'000	2019 £'000
Total interest expense on financial liabilities measured at amortised cost	(2,348)	(5,255)
Interest on loan notes	(2,627)	(4,059)
Interest on lease liabilities - IFRS 16	(477)	-
Finance lease interest	(81)	(117)
Total finance costs	(5,533)	(9,431)

8 Other gains and losses

	2020 £'000	2019 £'000
Amounts written back to non-current loans	-	37,320
Loss incurred relating to disposal group	-	(899)
	-	36,421

During the prior year the Group completed on a refinancing exercise in which the Group's lenders agreed to reduce and restructure the senior debt of which £34.048 million was de-recognised and recognised in the income statement (further details are provided in note 19).

Loss incurred in the prior year relating to disposals relates to a loss recognised in measuring the assets and liabilities of Lotus Landscapes Limited at fair value less cost of disposal. Further details are provided in note 13.

9 Income tax expense

Recognised in the income statement

	2020 £'000	2019 £'000
Current tax		
Corporation tax on profits for the current period	958	396
Adjustments in respect of prior periods	486	-
Total current tax	1,444	396
Deferred tax		
Origination and reversal of temporary differences	(1,456)	(1,828)
Changes in tax rates	890	-
	(566)	(1,828)
Total tax charge/(credit)	878	(1,432)

Recognised in other comprehensive income

	2020 £'000	2019 £'000
Deferred tax charge	112	(63)
Total	112	(63)

Reconciliation of effective tax rate

	2020 £'000	2019 £'000
(Loss)/profit before taxation	(11,125)	13,294
Expected tax (credit)/charge based on a corporation tax rate of 19.00%	(2,114)	2,526
Effect of expenses not deductible in determining taxable profit	1,117	2,375
Income not taxable	(281)	(7,276)
Adjustment in respect of prior years	675	228
Effect of change in UK corporation tax rate	890	-
Other non-reversing timing differences	(7)	134
Effect of overseas tax rates	128	-
Deferred tax adjustments in respect of prior years	-	581
Deferred tax not recognised	470	-
Taxation charge/(credit) for the year	878	(1,432)

9 Income tax expense **(Continued)**

The Group has approximately £38.2 million (2019: £39.3 million) of income tax losses carried forward. No deferred tax asset has been recognised on losses carried forward due to the lack of visibility of taxable profits arising in the near term against which the deferred tax losses can be utilised.

Factors that may affect the future current and total tax charges
The UK corporation tax standard rate for the period is 19% (2019: 19%). A UK corporation tax rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the future current tax charge accordingly. The deferred tax liability at 31 March 2020 has been calculated at 19% (2019: 17%).

10 Property, plant and equipment

	Leasehold land and buildings	Rental equipment	Motor vehicles	Plant and equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
Balance at 1 April 2018	-	57,934	12,129	17,549	87,612
Additions	-	3,472	1,090	383	4,945
Disposals	-	(8,153)	(1,533)	(2,460)	(12,146)
Transfer to held for sale	-	-	(1,117)	(523)	(1,640)
Foreign exchange movement	-	(415)	(53)	(30)	(498)
Balance at 31 March 2019	-	52,838	10,516	14,919	78,273
Additions on adoption of IFRS 16	9,108	-	3,221	-	12,329
Additions	-	3,586	1,142	1,220	5,948
Disposals	-	(15,697)	(1,929)	(5,378)	(23,004)
Foreign exchange movement	-	663	88	65	816
Balance at 31 March 2020	9,108	41,390	13,038	10,826	74,362
Accumulated depreciation and impairment					
Balance at 1 April 2018	-	49,394	7,735	15,761	72,890
Depreciation charge for the year	-	3,269	1,866	922	6,057
Disposals	-	(7,157)	(1,288)	(2,335)	(10,780)
On assets reclassified as held for sale	-	-	(559)	(390)	(949)
Foreign exchange movement	-	(315)	(50)	(21)	(386)
Balance at 31 March 2019	-	45,191	7,704	13,937	66,832
Depreciation charge for the year	2,631	3,483	2,304	718	9,136
Disposals	-	(14,491)	(1,928)	(5,271)	(21,690)
Foreign exchange movement	-	450	69	52	571
Balance at 31 March 2020	2,631	34,633	8,149	9,436	54,849
Net book value					
At 31 March 2020	6,477	6,757	4,889	1,390	19,513
At 31 March 2019	-	7,647	2,812	982	11,441

10 Property, plant and equipment **(Continued)**

Leased assets

	Leasehold land and buildings £'000	Plant and vehicles £'000	Total £'000
Balance at 1 April 2019	8,529	4,351	12,880
Balance at 31 March 2020	6,477	4,095	10,572
Depreciation charge for the year	2,631	1,872	4,503
Additions of right-of-use assets			2,362

11 Intangible assets

	Goodwill £'000	Customers and marketing £'000	Technology £'000	Other £'000	Total £'000
Cost					
Balance at 1 April 2018	113,516	91,126	6,019	7,557	218,218
Other additions - externally purchased	-	-	-	398	398
Foreign exchange movement	(37)	(736)	(5)	(25)	(803)
Balance at 31 March 2019	113,479	90,390	6,014	7,930	217,813
Other additions - externally purchased	-	-	-	381	381
Disposals	-	(6,705)	-	(151)	(6,856)
Foreign exchange movement	225	1,116	7	9	1,357
Balance at 31 March 2020	113,704	84,801	6,021	8,169	212,695
Amortisation and impairment					
Balance at 1 April 2018	92,794	38,873	3,704	5,971	141,342
Charge for the year	-	8,730	971	479	10,180
Impairment loss	737	-	-	-	737
Foreign exchange movement	-	(367)	(3)	(53)	(423)
Balance at 31 March 2019	93,531	47,236	4,672	6,397	151,836
Charge for the year	-	6,692	971	905	8,568
Impairment loss	977	-	-	-	977
Eliminated on disposals	-	(6,705)	-	(20)	(6,725)
Foreign exchange movement	-	530	5	8	543
Balance at 31 March 2020	94,508	47,753	5,648	7,290	155,199
Net book value					
At 31 March 2020	19,196	37,048	373	879	57,496
At 31 March 2019	19,948	43,154	1,342	1,533	65,977

11 Intangible assets (Continued)

"Other" intangible assets include costs in relation to patents, trademarks, and advisor and development costs paid for software for the key Group operating systems.

Amortisation is recognised in administrative expenses in the income statement.

Customer-related assets have useful economic lives recognised at the time of acquisition of between 5 and 12 years. Customer-related assets are based on the present value of projected cash flows, in excess of the returns on contributory assets, over the life of the relationship with customers.

Marketing-related assets have useful economic lives recognised at the time of acquisition of between 3 and 15 years. Marketing-related assets represent the benefit of not having to pay royalties to licence the right to use marketing-related intangible assets.

Technology-related assets have useful economic lives recognised at the time of acquisition of 6 years. Technology- related assets represent the benefit of not having to incur costs in the design, development and testing of acquired technology.

Goodwill acquired in business combinations has been allocated to cash generating units ("CGUs") as follows:

	2020	2019
	£'000	£'000
VPS (UK) Limited	9,650	9,650
VPSitex SAS	3,504	3,413
Netherlands	3,372	3,286
Redfields Landscaping & Design Limited	-	977
Prodomo SAS	1,839	1,791
Evander Glazing & Locks Limited	831	831
	19,196	19,948

The recoverable amount of each CGU has been calculated with reference to its value in use. The key assumptions of this calculation are shown below:

VPS (UK) Limited	**2020**	**2019**
Period on which management-approved forecasts are based	5 Years	5 Years
Growth rate applied from year 5	2.50%	2.50%
Pre-tax discount rate	9%	9%

VPSitex SAS	**2020**	**2019**
Period on which management-approved forecasts are based	5 Years	5 Years
Growth rate applied from year 5	2.50%	2.50%
Pre-tax discount rate	9%	10%

Netherlands	**2020**	**2019**
Period on which management-approved forecasts are based	5 Years	5 Years
Growth rate applied from year 5	2.50%	2.50%
Pre-tax discount rate	10%	11%

11 Intangible assets **(Continued)**

Site Security	**2020**	**2019**
Period on which management-approved forecasts are based	5 Years	5 Years
Growth rate applied from year 5	2.50%	2.50%
Pre-tax discount rate	9%	9%

Redfields Landscaping and Design	**2020**	**2019**
Period on which management-approved forecasts are based	5 Years	5 Years
Growth rate applied from year 5	2.50%	2.50%
Pre-tax discount rate	9%	9%

11 Intangible assets (Continued)

Prodomo SAS	**2020**	**2019**
Period on which management-approved forecasts are based	5 Years	5 Years
Growth rate applied from year 5	2.50%	2.50%
Pre-tax discount rate	9%	10%

Evander Glazing and Locks	**2020**	**2019**
Period on which management-approved forecasts are based	5 Years	5 Years
Growth rate applied from year 5	2.50%	2.50%
Pre-tax discount rate	9%	9%

Discount rates are based on the historical cost of capital data for similar entities, with a debt leveraging of an average market participant of 25%. The discount rate has been calculated for the Group as a whole and adjusted for the additional risk premium of the individual CGUs based on their relative risk and return characteristics.

Cash flow projections have been based on budgeted Earnings before Interest, Taxation, Depreciation and Amortisation ("EBITDA") projections adjusted for projected capital expenditure ("capex") net of lease funding and repayments. Budgeted EBITDA projections have been derived based on expectations of future outcomes taking into account past experience, adjusted for revenue growth.

Cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that an average market participant would make.

The recoverable amount for impairment testing has been determined on a value in use basis at Group level and for individual CGUs. At Group level the impairment testing for the year ended 31 March 2020 indicates that the recoverable amount of goodwill and intangible assets exceeds the carrying amount. The recoverable amount is consistent with prior year and the carrying amount has reduced due to amortisation of intangible assets in the year, creating additional headroom.

On an individual CGU basis, the impairment testing has highlighted the goodwill in the Redfields CGU is impaired due to a reduction in the recoverable amount. An impairment loss of £0.98 million has been recorded to align the carrying value to the recoverable amount.

Impairment calculations are potentially sensitive to changes in the discount rate and growth rate assumptions. An increase of 3% in the discount rate (40% increase), with all other assumptions held constant would be required before the next CGU would become impaired. A decrease of 1.7% in the growth rate (68% reduction), with all other assumptions held constant, would be required before the next CGU would become impaired. At Group level neither doubling the discount factor, nor removing the growth rate altogether would trigger an impairment charge.

12 Subsidiaries

The Group has the following investments in subsidiary undertakings:

Name of undertaking	Country of incorporation	Class of shares held	Ownership
Tyrion Security Debtco Limited*	England and Wales	Ordinary	100%
Tyrion Security Bidco Limited	England and Wales	Ordinary	100%
VPS Holdings Limited	England and Wales	Ordinary	100%
Vacant Property Security Limited	England and Wales	Ordinary	100%
Quatro Electronics Holdings Limited	England and Wales	Ordinary	100%
Quatro Electronics Limited	England and Wales	Ordinary	100%
VPS (UK) Limited	England and Wales	Ordinary	100%
VPSitex NI Limited	England and Wales	Ordinary	100%
VPS Site Security Limited	England and Wales	Ordinary	100%
Redfields Landscaping and Design Limited	England and Wales	Ordinary	100%
VPS Guardians Limited	England and Wales	Ordinary	100%
Evander Glazing and Locks Limited	England and Wales	Ordinary	100%
Highway Windscreend (UK) Limited	England and Wales	Ordinary	100%
VPSitex Holdings Netherlands B.V.	Netherlands	Ordinary	100%
FMT Beheer B.V.	Netherlands	Ordinary	100%
VPSitex Holdings France SAS	France	Ordinary	100%
Prodomo SAS	France	Ordinary	100%
VPSitex SAS	France	Ordinary	100%
VPSitex Espana S.L.U.	Spain	Ordinary	100%
VPSitex Deutschland GmbH	Germany	Ordinary	100%
VPSitex Ireland Limited	Ireland	Ordinary	100%
VPSitex Italia S.R.L.	Italy	Ordinary	100%
Tyrian Security Midco Limited	England and Wales	Ordinary	100%

The registered address for:
Companies incorporated in England and Wales - Broadgate House, Broadway Business Park, Chadderton, OL9 9XA, United Kingdom
Companies incorporated in Italy - Via Magenta 35, 10128 Torino, Italy
Companies incorporated in Germany - VPSitex Deutschland GmbH, Darwinstraße 17, 10589 Berlin, Germany
Companies incorporated in Ireland - 2 Seapoint Avenue, Blackrock, Co. Dublin, Ireland
Companies incorporated in the Netherlands - Dr Kuyperstraat 9, 2514 BA Den Haag, Netherlands
Companies incorporated in France - 8 Rue Bernard Buffet, 75017, Paris, France
Companies incorporated in Spain - C/ Albert Einstein, 2, 08940 Cornellà de Llobregat, Barcelona, Spain

The Group did not make any acquisitions in the year.

* Directly held

13 Disposal Group

In May 2019, the Group completed the sale of Lotus Landscapes Limited ("Lotus"); a subsidiary of the Group that engaged principally in grounds maintenance and landscaping services.

The operations of Lotus Landscapes Limited were not a separate major line of business or geographical area of operations of the Group.

The loss on disposal was calculated as follows:

	2020 **£'000**
Property, plant and equipment	649
Trade receivables	573
Other receivables	113
Trade payables	(105)
Other payables	(153)
Finance lease liabilities	(478)
Total assets disposed	599
Professional fees	300
Proceeds of sale	-
Loss on disposal of subsidiary	899

14 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities are attributable to the following:

	Assets 2020 £'000	Liabilities 2020 £'000	Assets 2019 £'000	Liabilities 2019 £'000
Net tax liabilities	-	6,508	-	6,962
	-	6,508	-	6,962

Deferred tax liabilities have been recognised on the value of intangible assets recognised on acquisition of subsidiaries. The liability is released to the income statement, via the tax charge / (credit) line, as the intangible assets are amortised as the amortisation is not an allowable cost for the purposes of calculating taxable profit. The balance also moves as the sterling value of intangible assets recognised in euros changes with exchange rate movements.

Movements in deferred tax assets / liabilities during the year:

	At 1 April 2019 £'000	Change of rate £'000	Liabilities amortised £'000	Foreign exchange movements £'000	Other £'000	At 31 March 2020 £'000
Net tax liabilities	(6,962)	(890)	1,456	(112)	-	(6,508)
	(6,962)	(890)	1,456	(112)	-	(6,508)

Movements in deferred tax assets / liabilities during the prior year:

	At 1 April 2018 £'000	Assets written off £'000	Liabilities amortised £'000	Foreign exchange movements £'000	Other £'000	At 31 March 2019 £'000
Net tax liabilities	(9,088)	-	1,650	63	413	(6,962)
	(9,088)	-	1,650	63	413	(6,962)

15 Inventories

	2020 £'000	2019 £'000
Inventory	1,685	1,739

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £12.636 million (2019: £11.273 million).

16 Trade and other receivables

	2020 £'000	2019 £'000
Trade receivables	23,567	23,931
VAT recoverable	1,073	-
Prepayments	3,151	3,144
Other debtors	1,029	1,918
	28,820	28,993

All of the above receivables are due for settlement within 12 months.

17 Trade and other payables

	2020 £'000	2019 £'000
Current:		
Trade payables	12,571	11,270
Non-trade payables and accrued expenses	3,886	982
Accruals and deferred income	17,593	14,942
Social security and other taxation	8,896	9,514
Corporation tax	1,432	814
	44,378	37,522
Non-current:		
Shareholder loan notes	17,071	15,739
Other	2,988	2,909
	20,059	18,648

The shareholder loan notes accrue interest at an effective rate of 8% per annum (2019: 8%) and are capitalised every six months. Capital and interest are repayable on maturity on 18 July 2022.

18 Financial instruments

	2020		2019	
	Financial assets £'000	Financial liabilities £'000	Financial assets £'000	Financial liabilities £'000
Trade and other receivables including contact assets*	27,581	-	27,515	-
Cash	23,281	-	18,024	-
Secured bank borrowings	-	66,204	-	63,069
Other loan	-	-	-	-
IFRS 16 lease liabilities	-	8,498	-	-
Finance lease liabilities	-	2,199	-	2,501
Trade and other payables	-	38,479	-	35,767
Shareholder loan notes	-	17,071	-	15,739
	50,862	132,451	45,539	117,076

*This excludes prepayments and any VAT recoverable

At the reporting dates, the carrying amount of the Group's financial assets and liabilities are measured at amortised cost which is a reasonable approximation of fair value.

18 Financial instruments **(Continued)**

Risk management

The main risks arising from the Group's financial instruments are credit, liquidity, currency and interest rate risk. The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all commercial customers.

At the balance sheet date, the maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

No collateral is held as security in respect of amounts outstanding, however in a number of instances deposits may be held against the value of security equipment provided. A deposit equal to one month of customer licence fee is also collected from all Guardians.

The Group establishes an allowance for impairment that is based on historical experience of dealing with customers within the same risk profile. The maximum exposure to credit risk is represented by the carrying amount of each financial asset recorded in the balance sheet.

Trade receivables and contract assets
Credit risk for trade receivables and contract assets net of impairment allowances by geographic region was as follows:

	2020 £'000	2019 £'000
Contract assets		
United Kingdom	1,628	1,158
Other EU member states	1,357	1,519
	2,985	2,677
Trade receivables		
United Kingdom	10,831	11,555
Other EU member states	12,736	12,376
	23,567	23,931

18 Financial instruments **(Continued)**

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 March 2020.

	2020 £'000	2019 £'000
Not past due	18,040	17,763
Past due 0-90 days	4,674	5,162
Past due 90-180 days	801	616
Past due 180+ days	52	390
	23,567	23,931

The Group uses an allowance matrix to measure the ECL of trade receivables from individual customers. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk, using data from on the Group's historical experience of credit losses from up to 15 months from the date credit loss rates are being determined

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2020 £'000	2019 £'000
At 1 April 2019	7,587	6,379
Amounts written off	727	(629)
Net remeasurement of loss allowance	(825)	1,837
At 31 March 2020	7,489	7,587

18 Financial instruments **(Continued)**

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group uses both short and long-term cash forecasts to assist in monitoring cash flow requirements. Typically the Group uses short-term forecasting to ensure that it has sufficient cash on demand to meet operational expenses and to service financing obligations for a period of 13 weeks. Longer-term forecasts are performed on a regular basis to assess compliance with bank covenants on existing facilities, ensuring that activities can be managed within reason to ensure sufficient headroom on financial covenants.

The Group monitors available borrowing facilities against forward requirements on a regular basis and, where necessary, obtains additional sources of financing to provide the Group with the appropriate level of headroom against the required borrowing.

Foreign exchange risk

The Group is exposed to foreign exchange risk on transactions denominated in Euros through its European subsidiaries. The Group manage its foreign exchange risk by matching the currency of its borrowings in line with the net cash flow generated in Sterling and Euro and then seeks to minimise the amount of net Euro cash flow used to settle Sterling liabilities.

Interest rate risk

The Group is exposed to a risk of a change in cash flows due to changes in interest rates as a result of its use of variable rate borrowings.

The Group's policy is to review regularly the terms of its borrowing facilities, and to assess and manage interest rate risk relating to long-term borrowing commitments. The Group's risk management policies include the use of derivative instruments.

Sensitivity analysis

In managing interest rate and currency risk the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer term, however, permanent changes in foreign exchange and interest rates would have an impact on consolidated earnings.

At 31 March 2020 it is estimated that after applying the Group's risk management policies, a general increase of one percentage point in interest rates would have increased the Group's loss before tax by approximately £0.85 million (2019: £0.67 million) assuming all other variables are equal.

At 31 March 2020 the Group's assets and liabilities denominated in Euros was a in aggregate a net liability of €17.1 million (2019: net liability of €18.8 million). It is estimated that after applying the Group's risk management policies, a general weakening/strengthening of the Euro exchange rate to the British Pound Sterling would have decreased/increased the Group's loss before tax by approximately £0.15 million (2019: £0.16 million) assuming all other variables are equal.

Financial liabilities – analysis of maturity dates

At 31 March 2020 the Group had the following financial liabilities, and the table also shows the maturity profile of the contractual cash flows, including payments of future interest assuming no change in the variable rates between the year end and maturity:

18 Financial instruments **(Continued)**

	Trade and other payables* £'000	Secured bank borrowings £'000	Finance lease obligations £'000	IFRS 16 lease obligations £'000	Total £'000
31 March 2020					
Carrying value	55,550	66,204	2,199	8,498	132,451
Contractual cash flows:					
Less than one year	34,037	3,215	775	3,616	41,643
One to two years	1,713	3,970	864	2,115	8,662
Two to five years	21,301	61,923	812	2,481	86,517
Over five years	1,441	-	-	445	1,886
	58,492	69,108	2,451	8,657	138,708
31 March 2019					
Carrying value	53,131	63,069	2,501	-	118,701
Contractual cash flows:					
Less than one year	34,761	2,419	961	-	38,141
One to two years	567	11,080	738	.	12,385
Two to five years	89,588	61,312	1,079	-	151,979
Over five years	-	-	-	-	-
	124,916	74,811	2,778	-	202,505

19 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, other than interest bearing balances with the parent undertaking, which are measured at amortised cost. For more information about the Group's exposure to interest rate and foreign currency risk, see note 18.

	2020 £'000	2019 £'000
Non-current liabilities		
Bank loans	64,318	63,069
Finance lease liabilities	1,505	1,629
	65,823	64,698
Current liabilities		
Bank loans	1,886	-
Finance lease liabilities	694	872
	2,580	872

The Senior Debt comprised of term loans and a Revolving Credit Facility as detailed below:

		Facility amount			
Type	**Interest rate**	**2020 £'000**	**2019 £'000**	**Original facility date**	**Maturity date**
Senior Debt – EUR	EURIBOR + 4.28%	33,770	32,897	Jul 2014	Jul 2022
Senior Debt – GBP	LIBOR + 4.28%	15,048	15,048	Jul 2014	Jul 2022
Mezzanine Debt - EUR	8%	16,659	15,124	Jul 2014	Jul 2022

The Senior Debt facilities are repayable in instalments over the period from September 2020 to the facilities' maturity date in July 2022. The percentages repayable are as follows:

30 September 2020	-	2.550%
31 March 2012	-	2.546%
30 September 2021	-	4.069%
31 March 2022	-	4.063%
At Maturity Date	-	86.772%

The Mezzanine Debt is repayable on maturity in July 2022.

At 31 March 2020 all facilities were fully drawn. The Group also has a Revolving Credit Facility of £1 million of which £0.9 million (2019: £0.2 million) was drawn down.

All borrowings are secured against the assets of the Group's companies.

19 Interest-bearing loans and borrowings **(Continued)**

	Future interest payments 2020 £'000	Future capital payments 2020 £'000	Amortised cost 2020 £'000	Future interest payments 2019 £'000	Future capital payments 2019 £'000	Amortised cost 2019 £'000
At 31 March		69,108	66,205		66,997	63,069
Settle in year 1	2,363	3,215	1,886	2,419	-	(1,135)
Settle in year 2	2,371	3,970	2,749	2,392	2,443	1,216
Settle in years 3 to 5	674	61,923	61,570	3,002	64,554	62,988
	5,408	69,108	66,205	7,813	66,997	63,069

Lease liabilities IFRS 16

Lease liabilities IFRS 16 are payable as follows:

	Minimum lease payments 2020 £'000	Interest 2020 £'000	Principal 2020 £'000
Less than 1 year	3,616	220	3,388
Between 1 and 2 years	2,370	186	2,184
Between 2 and 5 years	2,658	177	2,481
More than 5 years	527	82	445
	9,171	665	8,498

Finance lease liabilities

Finance lease liabilities are payable as follows:

	Minimum lease payments 2020 £'000	Interest 2020 £'000	Principal 2020 £'000	Minimum lease payments 2019 £'000	Interest 2019 £'000	Principal 2019 £'000
Less than 1 year	775	81	694	961	84	877
Between 1 and 2 years	864	76	788	738	71	667
Between 2 and 5 years	812	95	717	1,079	122	957
	2,451	252	2,199	2,778	277	2,501

20 Employee benefits

Defined contribution plans

The Group operates a number of defined contribution pension plans. The total expense relating to these plans in the current year was £2.126 million (2019: £2.031 million).

21 Provisions

	Property	Other - Taxation	Other	Total provisions
	£'000	£'000	£'000	£'000
Balance at 31 March 2018	1,456	16	454	1,926
Provision created	-	1,491	92	1,583
Provision utilised	(94)	(16)	(147)	(257)
Balance at 31 March 2019	1,362	1,491	399	3,252
Transferred to accruals	-	-	(117)	(117)
Provision released	(107)	(562)	(96)	(765)
Provision utilised	-	(929)	-	(929)
Balance at 31 March 2020	1,255	-	186	1,441
Current	-	-	-	-
Non-current	1,255	-	186	1,441

Property
The Group has provisions dilapidation expenditure included under "Property" in the above table. The provisions are expected to conclude at the end of the respective leases ranging from 2021 to 2028. Dilapidations are by their nature subjective and are calculated using industry standard financial metrics per square foot estimate.

Other
Provisions included within “Other” are amounts relating to restoring costs of leased vehicles

22 Share capital and reserves

	A Ord. Shares of £0.01 each	Deferred Shares of £0.0001 each	Voting Ord. Shares of £0.01 each	Non-Voting Ord. Shares of £0.01 each
Allotted, called up and fully paid:	**Number**	**Number**	**Number**	**Number**
At 1 April 2019	889,650	140,213,079	55,357	27,677
Issue of shares	-	-	-	8,028
At 31 March 2020	889,650	140,213,079	55,357	35,705

		Share Capital £	Share Premium £
	At 1 April 2019	23,747	21,545,411
20/11/2019	Shares allotted	31	14,552
31/03/2020	Shares allotted	49	23,340
	At 31 March 2020	23,828	21,583,303

(Continued)

22 Share capital and reserves

Classes of share capital

Any distributable profits which the Company may determine to distribute are distributed amongst the holders of the A Ordinary Shares, Non-Voting Ordinary Shares and Voting Ordinary Shares pari passu. The Deferred Shares carry no right to participate in a dividend.

On a return of capital, the surplus assets of the Company remaining after the payment of liabilities and all other sums payable in priority will be applied as follows: (i) the first £1,000,000,000 amongst the holders of the A Ordinary Shares, Non-Voting Ordinary Shares and Voting Ordinary Shares in accordance with each shareholder's Individual Payment, and (ii) second, each holder of the Deferred Shares will be entitled to receive an amount equal to £1 in aggregate for all Deferred Shares held by such shareholder, (iii) third, any balance of such assets will be distributed in the same manner as under (i) above. Individual Payment is his pro rata proportion of the total assets allocated to the relevant class of A Ordinary Shares, Voting Ordinary Shares or Non-Voting Ordinary Shares in accordance with the Articles. Such amount will depend on whether the Investor receives certain hurdles in respect of its holding of A Ordinary Shares on such return of capital, as set out in the Articles.

The A Ordinary Shares, Voting Ordinary Shares, Non-voting Ordinary Shares and Deferred Shares carry no redemption rights.

Shares held by employees

A number of employees and former employees of the Group are shareholders and registered members of the Company.

All shares issued by the Company are subject to restrictions relating to transfers and may only be transferred to parties that are permitted transferees under the Company's Articles of Association ("Articles").

Should an employee leave the employment of Group, the Company may require for the shares held by the individual to be transferred to a third party for a consideration determined by the methods stipulated in the Articles. The consideration is dependent on the manner in which the individual leaves the employment of the Group and is based on the original consideration paid by the individual for the shares and a determined "Fair Price", which may be based on the opinion of an independent expert.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

Other reserves

Other reserves comprise a capital contribution from the ultimate controlling shareholder PAI Partners SAS and pre-paid shares not yet issued at the year end.

During the year, following a restructure of the Group's borrowing facilities, loans of £50.718 million due to PAI Partners SAS were converted to equity in the form of a capital contribution.

23 Related party transactions

Key management personnel compensation

The directors are the key management personnel of the Group.

	2020 £'000	2019 £'000
Directors' remuneration	2,920	1,167
Company pension contributions to defined contribution schemes	34	28
	2,954	1,195

The highest paid director received remuneration of £1,217,032 (2019: £551,101). No contributions were paid to money purchase pension plans for the highest paid director.

Transactions with related parties

PAI PArtners SAS is considered to be a related party by virtue of its control of the parent company, Targaryen Security 1 Sarl. In 2019 PAI Partners SAS, invested £15 million to the Company held as PAI mezzanine debt maturing in July 2022 with a coupon rate of 8%. At the year end the balance outstanding on the loan was £17.1m million (2019: £15.8 million).

A monitoring fee is charged by PAI Partners SAS, and accrued by the Group, of £25,000 per month, at the year end a total of £1.7 million was outstanding (2019: £1.4 million).

Transactions with the ultimate parent company

There were no transactions with the ultimate parent company during the current year or the prior year.

24 Controlling party

The ultimate parent of the Company is Targaryen Security 1 Sarl, a Luxembourg-based company which is controlled by PAI Partners SAS, a private equity firm based in France.

The largest group in which the results of the Company are consolidated is that headed by the Company. No other group financial statements include the results of the Company.

TYRION SECURITY TOPCO LIMITED

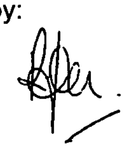
COMPANY BALANCE SHEET
AT 31 MARCH 2020

	Note	**2020** **£'000**	**2019** **£'000**
Non-current			
Investments	*30*	890	890
Current assets			
Amounts due from subsidiary undertakings (including £20,761,000 due after one year)	*31*	20,851	20,930
Current liabilities			
Trade and other payables	*32*	-	(5)
Amounts due to subsidiary undertakings	*32*	-	(112)
Net assets		21,741	21,703
Capital and reserves			
Share capital	*33*	24	24
Share premium		21,532	21,494
Other reserves		185	185
Total equity and long term liabilities		21,741	21,703

Parent Company Statement of Profit and Loss for the Year Ended 31 March 2020

No statement of profit and loss is presented for Tyrion Security Topco Limited as permitted under section 408 of the Companies Act 2006. The parent company's loss for the year ended 31 March 2020 is £nil (2019: £nil).

These financial statements were approved by the Board on 29 July 2020 and were signed on its behalf by:



R Jones
Director

Company registered number: 08922409

The accompanying notes form an integral part of these financial statements.

TYRION SECUIRTY TOPCO LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Other reserves	Total equity
	£000	£000	£000	£000
Balance at 1 April 2018	23	1,494	185	1,702
Issue of shares	1	20,000	-	20,001
Balance at 31 March 2019	24	21,494	185	21,703
Issue of shares	-	38	-	38
Profit or loss	-	-	-	-
Balance at 31 March 2020	**24**	**21,532**	**185**	**21,741**

The accompanying notes form an integral part of these financial statements.

28 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework ("FRS 101")* and the Companies Act 2006.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Under s408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account.

The following disclosure exemptions have been taken in these financial statements:

- disclosure of a Cash Flow Statement and related notes;
- disclosures in respect of transactions with wholly owned subsidiaries;
- the effects of new but not yet effective IFRS;
- disclosures in respect of the compensation of Key Management Personnel; and
- disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- certain disclosures required by IFRS 3 *Business Combinations* in respect of business combinations undertaken by the Company in the prior period; and
- certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures.*

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements are those relating to assessing the carrying value of investments in, and loans made to, subsidiary undertakings for impairment loss.

29 Remuneration of directors

In the current and prior periods the directors were remunerated by other subsidiary companies.

30 Fixed asset investments

	Shares in group undertakings £'000
Cost	
Balance at 1 April 2019 and 2020	890
At 31 March 2019 and 2020	**890**

No impairment provisions have been booked against the original cost of the investment.

31 Debtors

	2020 £'000	2019 £'000
Amounts owed by group undertakings	20,851	20,930

32 Creditors

	2020 £'000	2019 £'000
Non-current:		
Amount due to group undertakings	-	112
Other payables	-	5
	-	117

Notes *(continued)*

33 Share capital

	2020 £'000	2019 £'000
Allotted, called up and fully paid		
Ordinary shares of £1 each	24	23
Share issue	-	1
	24	24

All shares in issue are classified as equity instruments.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

34 Related party transactions

The Company has taken advantage of exemptions not to disclose transactions with entities wholly owned by the group headed by the Company.