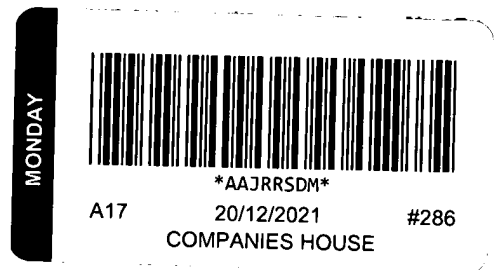


Company Registration No. 08922409 (England and Wales)

TYRION SECURITY TOPCO LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



TYRION SECURITY TOPCO LIMITED

COMPANY INFORMATION

Directors

C O'Sullivan
L Newman
S Hardyman
D Cavanagh
D Downie
R Jones
G Loftus
M Harrington

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 2021

The directors present their strategic report on Tyrion Security Topco Limited group of companies (the "Group", or "VPS") for the year ended 31 March 2021.

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 activity (Security Services) is providing specialist temporary security for vacant properties, infrastructure sites and construction projects. VPS is Europe's leading provider of temporary security and offers an integrated security proposition using our unique Intelligent Triple Protection solution: blending Physical Protection (Steel Doors and Steel Panels), Monitored Technology (Alarms and CCTV Towers) as well as Human Intervention (Manned Guarding and our live-in Guardians solution).

The Security Services activity is split between three divisions: United Kingdom & the Republic of Ireland, Southern Europe (France, Spain, & Italy and Northern Europe (the Netherlands & Germany. We are a leading provider to insurance companies, social housing projects, construction and infrastructure companies, property owners and managers, security managers and facilities managers.

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 "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 global coronavirus pandemic presented an unprecedented challenge, and the directors are encouraged by the overall response to that challenge. Our core Security Services businesses proved their resilience against the backdrop of the pandemic and posted robust results. The Evander and Redfields businesses were more adversely affected by the first lockdown in Q1 but as lockdown restrictions eased Evander's revenue has recovered to 80% of pre-pandemic levels.

On 1 June 2021 the Group and Company completed a refinance. All loan facilities outstanding at the balance sheet date were repaid in full and a new loan facility was agreed sufficient to meet the funding of the Group and Company on an ongoing basis.

Key performance indicators

| | Notes | 2021 £'000 | 2020 £'000 | Year on year movement |
|---|---------|---------------|---------------|--------------------------|
| Revenue | | 148,044 | 172,084 | -14.0% |
| Gross profit margin | | 46.3% | 41.6% | +4.7% |
| Adjusted EBITDA | 1.21, 2 | 23,465 | 19,544 | +20.1% |
| Net cash flow from operating activities | | 15,325 | 15,774 | -2.8% |

The headline impact of the coronavirus pandemic was a 14.0% decrease in revenue across the Group. This was primarily in the Evander business (£13.950m, 27.2%) and Redfields business (£1.750m, 38.0%) due to restricted activity in Q1. The Coronavirus pandemic also increased demand for certain Security Services revenue streams which accelerated a review and reassessment of certain low margin contracts. Revenues in the United Kingdom & the Republic of Ireland Security Service division also declined by £8.953m (17.4%) as a result.

The gross profit impact was only £2.869m (4.7%) due to the change in sales mix to higher margin service lines and actions taken by management in implementing cost optimization programs. Gross profit margin increased by 470 bbps to 46.3%.

TYRION SECURITY TOPCO LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Overhead savings and the benefit of job retention scheme grants totalling £3.769m lead to a £6.920m reduction in overheads, and £4.051m reduction in operating loss to £1.541m (FY20 £5.592m).

The Group has reported a 20.0% increase to "adjusted EBITDA", an alternative performance measure used by the Group to assess its underlying performance (see note 1.21).

Operating cash inflow generated by the Group in the year was £15.325m (2020: £15.774m).

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. **Customer Proximity** – developing customer intimacy and agilely solving their problems
 - b. **Commercially Responsive** – being responsive, knowledgeable and ambitious
 - c. **Trusted Service** – ensuring that our cost to serve model allows us to offer value to our customers
 - d. **Easy to work with** – 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 across the three Security Services divisions.

Principal risks and uncertainties

Covid 19

The global coronavirus pandemic and the associated macro-economic uncertainty presented a number of risks to the Group.

At the forefront of our response was the health, safety and wellbeing of our colleagues, as well as being able to service our customer needs safely was, and is, paramount.

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.

The Group constantly reviewed our operational capability to conform with Government guidelines and advice in all of the countries in which we operate.

The response of the Group was swift and decisive at the outset of the pandemic.

TYRION SECURITY TOPCO LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Principal risks and uncertainties continued

Detailed Business Continuity Plans across all Divisions were implemented to ensure that the Group actively managed 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 were taken to protect our colleagues and to deliver the products and services to our customers safely. We consulted our supply chain and actions to ensure continuity of supply of key materials and products.

Due to the robust balance sheet and strong liquidity controls the Group did not have to seek assistance from its lenders with regards to covenant waivers.

The Group did take advantage of the Job Retention Scheme in the UK and the equivalent schemes in some of the European countries in which we operate, where applicable. The Group further took advantage of the VAT deferment scheme in the UK.

The Group 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.

Cost optimization programmes were enacted predominantly in our Evander and UK Security Services divisions, to match resources to activity levels, which resulted in a reduction in headcount of 16%.

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.

The Group's Evander division was and 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. The division was significantly impacted by the first lockdown in the UK but revenue, profit and cash rebounded very quickly and due to the actions taken the division was not as severely impacted through the further lockdowns in the UK.

Our Security Services division, which accounts for over 60% of our annual revenues, experienced increased demand as a result of the pandemic and proved resilient.

Continuing mitigation priorities

The Group continues to respond dynamically to the evolving risks and challenges arising as a result of the pandemic. We will continue with the management approach implemented at the start of the pandemic enabling us to react swiftly to protect our key stakeholders.

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

TYRION SECURITY TOPCO LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Principal risks and Uncertainties (continued)

Brexit

The United Kingdom ("UK") left the European Union ("EU") at midnight on 31 January 2020. A transition period was in place until 31 December 2020.

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 colleagues and workforce in the UK comprise a proportion of EU nationals. The Group does not see a risk to recruiting or stability of the workforce as a result of Brexit.

The UK business procures some of its security equipment for its core business from suppliers in other EU states. Whilst there is some additional administration as a result of Brexit there is no risk to supply of product. The appropriate processes and controls have been put in place to ensure any increase in administrative burden does not affect supply of equipment.

The Group will continue to monitor the situation but believes there is no risk to ongoing trading or the supply of products.

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.

TYRION SECURITY TOPCO LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

| 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 colleagues at all levels of the organisation. | <ul style="list-style-type: none"> - Provide and maintain a safe environment for all employees - Operate a remuneration structure designed to encourage performance - Embed employee engagement and proactive employee development into business processes | <ul style="list-style-type: none"> - 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. | <ul style="list-style-type: none"> - 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 | <ul style="list-style-type: none"> - Intelligent Triple Protection - Commercially Responsive - Customer Proximity |
| Liquidity (low risk) The liquidity position of the Group is underpinned by bank borrowings; any non-compliance with financial banking covenants may have a significant impact on the Group's liquidity position | <ul style="list-style-type: none"> - Strong treasury management controls - Rigorous budgeting, planning and monitoring processes on financial covenants to ensure sufficient headroom for the business at all times | <ul style="list-style-type: none"> - 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. | <ul style="list-style-type: none"> - 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. | <ul style="list-style-type: none"> - Customer Proximity - Commercially Responsive - Trusted Service |
| 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. | <ul style="list-style-type: none"> - Strong credit control functions | <ul style="list-style-type: none"> - Easy to work with - Controls (Financial) |

TYRION SECURITY TOPCO LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

| | | |
|---|--|---|
| <p>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.</p> | <p>- Treasury and risk management policies and controls</p> | <p>- Controls (Financial)</p> |
| <p>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.</p> | <p>- Plans are in place to upgrade and/or replace existing systems - Full disaster recovery plans are in place</p> | <p>- Easy to work with</p> |
| <p>Technology obsolescence (low risk) The Group maintains a fleet of security equipment that utilises various technologies to provide security services. As new technologies are developed our fleet of equipment may become less competitive on operational cost or on functionalities</p> | <p>- Full refurbishment and maintenance program in place - Investments in and development of new equipment</p> | <p>- Trusted Service - Controls (Financial)</p> |

TYRION SECURITY TOPCO LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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 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-colleague 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 People steering group |
| Our customers | Safety Service and product performance Range of solutions Efficiency | Initial meetings and negotiations KPIs and feedback Customer complaints Contact centre Health and safety steering group 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 |

TYRION SECURITY TOPCO LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

| | | |
|-------------------|--|---|
| 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
8 October 2021

TYRION SECURITY TOPCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report and the audited financial statements for the year ended 31 March 2021.

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 (resigned 20 May 2021)
R Jones
G Loftus
M Harrington

Results and dividends

The loss for the year after taxation amounted to £6.0m (2020: £12.0m loss). The directors do not recommend the payment of a dividend for the year (2020: £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.

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.

TYRION SECURITY TOPCO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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.

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 colleagues 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.

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 colleagues to act in an environmentally responsible manner, particularly in the development of recycling and energy conservation policies to ensure finite resources are not dissipated.

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

8 October 2021

TYRION SECURITY TOPCO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

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 2021 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 2021 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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").

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.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the group or the company will continue in operation.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TYRION SECURITY TOPCO LIMITED

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management/directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout to the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

We performed procedures including identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual or unexpected accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors (as required by auditing standards) and in-house legal counsel, and discussed with both the directors and in-house legal counsel the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect; health and safety, anti-bribery and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherent limited procedures required by auditing standards would identify it.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TYRION SECURITY TOPCO LIMITED

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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.

Directors' responsibilities

As explained more fully in their statement set out on page 11, 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

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
for and on behalf of KPMG LLP, Senior Statutory Auditor
Chartered Accountants
One Snowhill
Birmingham
B4 6GH
11 October 2021

TYRION SECURITY TOPCO LIMITED

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

| | Notes | 2021 £'000 | 2020 £'000 |
|--|-------|----------------|-----------------|
| Revenue | 4 | 148,044 | 172,084 |
| Cost of sales | | (79,461) | (100,632) |
| Gross profit | | 68,583 | 71,452 |
| Administrative expenses | | (64,030) | (68,786) |
| Net impairment loss on trade receivables and contract assets | 4 | 1,194 | (1,016) |
| Non-underlying expenses | 3 | (7,288) | (7,242) |
| Total administrative expenses | | (70,124) | (77,044) |
| Operating loss (Adjusted EBITDA is disclosed in Note 2) | 5 | (1,541) | (5,592) |
| Finance costs | 7 | (5,666) | (5,533) |
| Loss before taxation | | (7,207) | (11,125) |
| Taxation | 8 | 1,159 | (878) |
| Loss for the year | | (6,048) | (12,003) |
| Other comprehensive income | | | |
| <i>Items that are or may be reclassified subsequently to profit or loss:</i> | | | |
| Actuarial loss | | (66) | (136) |
| Foreign exchange reserve movement | | 600 | (48) |
| Total comprehensive loss for the year | | (5,514) | (12,187) |

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 2021

| | Notes | 2021 £'000 | 2020 £'000 |
|--|-------|-----------------|-----------------|
| Non-current assets | | | |
| Property, plant and equipment | 9 | 18,501 | 19,513 |
| Intangible assets | 10 | 49,511 | 57,496 |
| | | <u>68,012</u> | <u>77,009</u> |
| Current assets | | | |
| Inventories | 13 | 2,047 | 1,685 |
| Contract assets | 4 | 4,070 | 2,985 |
| Trade and other receivables | 14 | 24,745 | 28,820 |
| Cash and cash equivalents | | 21,148 | 23,281 |
| | | <u>52,010</u> | <u>56,771</u> |
| Total assets | | <u>120,022</u> | <u>133,780</u> |
| Current liabilities | | | |
| Interest-bearing loans and borrowings | 17 | (4,954) | (2,580) |
| Lease liabilities - IFRS 16 | 17 | (2,644) | (3,388) |
| Trade and other payables | 15 | (42,180) | (44,378) |
| Contract liabilities | 4 | (2,375) | (2,267) |
| | | <u>(52,153)</u> | <u>(52,613)</u> |
| Total assets less current liabilities | | <u>67,869</u> | <u>81,167</u> |

TYRION SECURITY TOPCO LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021

| | Notes | 2021 £'000 | 2020 £'000 |
|--|-------|----------------------|----------------------|
| Equity attributable to equity holders of the parent | | | |
| Share capital | 20 | 24 | 24 |
| Share premium | 20 | 21,583 | 21,583 |
| Other reserves | | 153,059 | 152,459 |
| Retained earnings | | (197,954) | (191,840) |
| Total equity | | <u>(23,288)</u> | <u>(17,774)</u> |
| Non-current liabilities | | | |
| Interest-bearing loans and borrowings | 17 | 59,990 | 65,823 |
| Lease liabilities - IFRS 16 | 17 | 4,453 | 5,110 |
| Trade and other payables | 15 | 20,046 | 20,059 |
| Provisions | 19 | 1,663 | 1,441 |
| Deferred tax liabilities | 12 | 5,005 | 6,508 |
| | | <u>91,157</u> | <u>98,941</u> |
| Total equity and non-current liabilities | | <u><u>67,869</u></u> | <u><u>81,167</u></u> |

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 8 October 2021 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 2021

| | Share capital £'000 | Share premium £'000 | Translation reserve £'000 | Other reserves £'000 | Retained earnings £'000 | Total £'000 |
|----------------------------------|---------------------------|---------------------------|---------------------------------|----------------------------|-------------------------------|----------------|
| Balance at 1 April 2019 | 24 | 21,545 | 2,915 | 149,592 | (179,701) | (5,624) |
| Year ended 31 March 2020: | | | | | | |
| Loss for the year | - | - | - | - | (12,003) | (12,003) |
| Issue of share capital | - | 37 | - | - | - | 37 |
| Other comprehensive income | - | - | (48) | - | (136) | (184) |
| Balance at 31 March 2020 | 24 | 21,583 | 2,867 | 149,592 | (191,840) | (17,774) |
| Year ended 31 March 2021: | | | | | | |
| Loss for the year | - | - | - | - | (6,048) | (6,048) |
| Issue of share capital | - | - | - | - | - | - |
| Other comprehensive income | - | - | 600 | - | (66) | 534 |
| Balance at 31 March 2021 | 24 | 21,583 | 3,467 | 149,592 | (197,954) | (23,288) |

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

TYRION SECURITY TOPCO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

| | Notes | 2021 £'000 | 2020 £'000 |
|--|-------|-----------------|----------------|
| Cash flows from operating activities | | | |
| Loss for the year | | (6,048) | (12,003) |
| Adjustments for: | | | |
| Depreciation, amortisation and impairment | | 17,578 | 18,681 |
| Foreign exchange (gains) / losses | | 175 | (85) |
| Financial expenses | | 5,673 | 4,879 |
| Loss / (profit) on sale of property, plant and equipment | | 235 | (115) |
| Loss on sale of subsidiary | | - | 599 |
| Taxation | | (1,160) | 878 |
| | | <u>16,453</u> | <u>12,834</u> |
| Decrease / (increase) in contract assets, trade and other receivables | | 2,986 | (839) |
| (Increase) / decrease in inventories | | (362) | 54 |
| (Decrease) / increase in contract liabilities, trade and other payables | | (3,107) | 6,264 |
| Increase / (decrease) in provisions | | <u>222</u> | <u>(1,811)</u> |
| | | 16,192 | 16,502 |
| Tax paid | | (867) | (765) |
| Net cash flow from operating activities | | <u>15,325</u> | <u>15,737</u> |
| Cash flows from investing activities | | | |
| Acquisition of property, plant and equipment and intangible assets | | (8,254) | (5,407) |
| Proceeds from sale of property, plant and equipment | | 1,950 | 913 |
| Net cash flow used in investing activities | | <u>(6,304)</u> | <u>(4,494)</u> |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares | | - | 38 |
| Proceeds from new loan | | - | 727 |
| Interest paid | | (2,337) | (2,414) |
| Repayment of borrowings | | (2,503) | - |
| Payment of lease liabilities - IFRS 16 | | (727) | (3,574) |
| Payment of finance lease liabilities | | (5,234) | (1,015) |
| Net cash flow from financing activities | | <u>(10,801)</u> | <u>(6,238)</u> |
| Net increase / (decrease) in cash and cash equivalents | | (1,780) | 5,005 |
| Cash and cash equivalents at 1 April | | 23,280 | 18,024 |
| Effect of movements in exchange rates on cash held | | <u>(352)</u> | <u>252</u> |
| Cash and cash equivalents at 31 March | | <u>21,148</u> | <u>23,281</u> |

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

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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.

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 16 to 20.

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 1.22.

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

A number of EU-endorsed amendments to existing IFRS and interpretations were effective for annual reporting periods beginning on or after 1 January 2020 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.

Other accounting policies

Furlough receipts

Furlough income is recognised in the Consolidated Financial Statements when it can be reliably measured which the Group considers to be on receipt. In accordance with IAS 20 Government Grants the Furlough income of £3.769m has been shown as a deduction from administrative expenses in the year ended 31 March 2021.

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.2 Going concern

The global coronavirus pandemic has presented a series of unprecedented challenges which have severely tested all aspects of our business. At the forefront of our response was the health, safety and wellbeing of our colleagues, as well as being able to service our customer needs safely. 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. Whilst coronavirus has inevitably impacted our short term progress, we firmly believe that we have a robust Security Services proposition and a diversified wider Group offering.

The financial statements are prepared on a going concern basis, which the Directors believe to be appropriate for the following reasons.

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 £21.1 million and a revolving credit facility of £1.0 million of which £1.0 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 17.

Except for balances drawn on the revolving credit facility, bank loans are repayable from September 2021 to July 2022. At the balance sheet date the bank loans outstanding were £62.5 million.

As at the balance sheet date the Group also has debt obligations of £18.5 million under a loan facility from its shareholder that is repayable on expiry in July 2022.

On 1 June 2021 the Group and Company completed a refinance. All loan facilities outstanding at the balance sheet date were repaid in full and a new loan facility was agreed sufficient to meet the funding of the Group and Company on an ongoing basis. The new loan facility is a £90 million facility comprising £67.5 million term loan, £12.5 million acquisition credit facility and £10 million revolving credit facility and the Directors are confident that the new facility is serviceable. The new facility expires May 2028 with no principle repayments falling due before then.

The Directors have prepared cash flow forecasts for the Group covering a period of at least 12 months from the date of approval of these financial statements, which indicate that the Group will be able to operate within the level of its agreed facilities and covenant compliance. These forecasts include a number of assumptions including rental price and volume, Guardian occupation rate, lead generation and conversion rates, and margin assumptions. For the purpose of Going Concern reporting the Directors have prepared severe but plausible downside scenarios which cover the same period as the base case, including specific consideration of a range of impacts that could arise from the continued COVID-19 pandemic. These scenarios include a reduction in lead volume recovery in the Evander division, price competition from new market participants in the Security Services divisions and removal of growth assumption in new technologies products. As part of this analysis, mitigating actions within the Group's control should these severe but plausible scenarios occur have also been considered. These forecast cash flows indicate that there remains sufficient headroom for the Group to operate within the committed facilities and to comply with all relevant banking covenants during the forecast period.

The Directors have considered all of the factors noted above, including the inherent uncertainty in forecasting the impact of the coronavirus pandemic, and are confident that the Group has adequate resources to continue to meet all liabilities as and when they fall due for a period of at least 12 months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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 intragroup 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.

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.

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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.

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Financial instruments (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.

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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. The estimated useful economic lives are as follows:

| | |
|-------------------------------|-------------|
| Fixtures, 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.

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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.

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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.

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.12 Impairment (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.

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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.

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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.

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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.

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.19 Leases

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.

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.19 Leases (continued)

Lease payments, included in the measurement of lease liability 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 recognise 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.

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.20 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 2020 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.

1.21 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.

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.22 Significant judgements 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 9), 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 10. 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 its 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.

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Adjusted EBITDA

| | 2021 £'000 | 2020 £'000 |
|---------------------------------------|---------------|---------------|
| Operating loss | (1,541) | (5,592) |
| Add back: | | |
| Depreciation | 9,675 | 9,136 |
| Amortisation | 7,707 | 8,568 |
| Impairment of intangible fixed assets | - | 977 |
| Impairment of tangible fixed assets | 195 | - |
| Non-underlying costs (note 3) | 7,288 | 6,265 |
| Foreign exchange losses / (gains) | 141 | 190 |
| Adjusted EBITDA | 23,465 | 19,544 |

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

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

3 Non-underlying expenses

Included in the income statement are the following:

| | 2021 £'000 | 2020 £'000 |
|--|---------------|---------------|
| Non-underlying expenses: | | |
| Adviser fees (1) | 658 | 1,236 |
| Acquisition and disposal costs (2) | - | 15 |
| Restructuring costs (3) | 2,454 | 2,637 |
| Refinancing costs (4) | 2,641 | - |
| Other (5) | 1,534 | 2,377 |
| Total non-underlying expenses | 7,287 | 6,265 |
| Impairment loss on intangible fixed assets | - | 977 |
| Impairment loss on tangible fixed assets | 195 | - |
| Total | 7,482 | 7,242 |

1. Included within adviser fees are amounts that related to 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. Refinancing costs relate to the incremental costs incurred in refinancing the debt facility that was completed on 1 June 2021. The costs incurred in the year comprise advisor fees of £2.1m and additional resource costs totalling £0.5m.
5. Other non-underlying costs include new business start up costs, property exit costs and costs incurred in response to the COVID-19 outbreak.

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 1.21.

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

4 Revenue

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

| | 2021 £'000 | 2020 £'000 |
|--|-----------------------|-----------------------|
| Primary geographical locations | | |
| United Kingdom | 81,785 | 106,509 |
| Rest of Europe | 66,259 | 65,575 |
| | <u>148,044</u> | <u>172,084</u> |
| Major products / service lines and revenue recognition: | | |
| Security services - principally over time | 98,595 | 105,432 |
| Glazing, doors and locks related services – point in time | 35,921 | 51,293 |
| Glazing, doors and locks related services –over time | 1,422 | - |
| Guardians - over time | 9,255 | 10,217 |
| Grounds related services – principally over time | 2,850 | 5,142 |
| Other – principally point in time | 1 | - |
| | <u>148,044</u> | <u>172,084</u> |
| Revenue recognition | | |
| Over time | 103,279 | 127,814 |
| Point in time | 44,765 | 44,270 |
| | <u>148,044</u> | <u>172,084</u> |
| | 2021 £'000 | 2020 £'000 |
| Contract assets and liabilities | | |
| Trade receivables | 20,946 | 23,567 |
| Contract assets | 4,070 | 2,985 |
| Contract liabilities | (2,375) | (2,267) |

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

4 Revenue

(Continued)

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

| | 2021 £'000 |
|---|---------------|
| Contract liabilities | |
| Revenue recognised that was included in the contract liability balance at the beginning of the period | 2,029 |
| Increases due to cash received, excluding amounts recognised as revenue during the period | (2,137) |
| Contract assets | |
| Transfers from contract assets recognised at the beginning of the period to receivables | (2,715) |
| Increases as a result of changes in the measure of progress | 2,606 |
| Impairment of contract assets | 1,194 |

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

| | 2021 £'000 | 2020 £'000 |
|--|---------------|---------------|
| Operating loss for the year is stated after charging/(crediting): | | |
| Amortisation of intangible assets | 7,707 | 8,568 |
| Impairment of intangible assets | - | 977 |
| Impairment of tangible assets | 195 | - |
| Depreciation: | | |
| - of owned property, plant and equipment | 5,147 | 5,309 |
| - of property, plant and equipment held under hire-purchase and finance leases | 4,528 | 3,827 |
| Profit on disposal of property, plant and equipment | (655) | (521) |
| Auditors remuneration: | | |
| - audit of these financial statements | 10 | 16 |
| - audit of subsidiary undertaking financial statements | 424 | 323 |
| Fees payable to the Company's auditor and its associates in respect of: | | |
| - taxation compliance services | 54 | 65 |
| - other tax advisory services | 96 | 369 |

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

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Employees

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

| | 2021 Number | 2020 Number |
|-------------------------------------|----------------|----------------|
| Operational | 855 | 1,050 |
| Administration, sales and marketing | 574 | 630 |
| | <u>1,429</u> | <u>1,680</u> |

Their aggregate remuneration comprised:

| | 2021 £'000 | 2020 £'000 |
|-----------------------|---------------|---------------|
| Wages and salaries | 46,079 | 53,865 |
| Social security costs | 7,592 | 8,725 |
| Pension costs | 1,926 | 2,126 |
| | <u>55,597</u> | <u>64,716</u> |

The employee costs above exclude the impact of deducting Furlough receipts received during the year of £3.769 million.

7 Finance costs

| | 2021 £'000 | 2020 £'000 |
|--|----------------|----------------|
| Total interest expense on financial liabilities measured at amortised cost | (3,728) | (2,348) |
| Interest on loan notes | (1,412) | (2,627) |
| Finance lease interest | <u>(526)</u> | <u>(558)</u> |
| Total finance costs | <u>(5,666)</u> | <u>(5,533)</u> |

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Income tax expense

Recognised in the income statement

| | 2021 £'000 | 2020 £'000 |
|---|----------------|---------------|
| Current tax | | |
| Corporation tax on profits for the current period | 334 | 958 |
| Adjustments in respect of prior periods | (91) | 486 |
| Total current tax | <u>243</u> | <u>1,444</u> |
| Deferred tax | | |
| Origination and reversal of temporary differences | (1,402) | (1,456) |
| Changes in tax rates | - | 890 |
| Total deferred tax | <u>(1,402)</u> | <u>(566)</u> |
| Total tax (credit) / charge | <u>(1,159)</u> | <u>878</u> |
| Recognised in other comprehensive income | | |
| Deferred tax charge | (101) | (112) |
| Total | <u>(101)</u> | <u>(112)</u> |

The charge for the year can be reconciled to the loss per the income statement as follows:

| | 2021 £'000 | 2020 £'000 |
|---|----------------|-----------------|
| Loss before taxation | <u>(7,207)</u> | <u>(11,125)</u> |
| Expected tax credit based on a corporation tax rate of 19.00% (2020 : 19.00%) | (1,369) | (2,114) |
| Effect of expenses not deductible in determining taxable profit | 1,414 | 1,117 |
| Income not taxable | (1,446) | (281) |
| Unutilised tax losses carried forward | 120 | - |
| Adjustment in respect of prior years | 10 | 675 |
| Effect of change in UK corporation tax rate | - | 890 |
| Other non-reversing timing differences | - | (7) |
| Effect of overseas tax rates | 21 | 128 |
| Deferred tax not recognised | 91 | 470 |
| Taxation (credit) / charge for the year | <u>(1,159)</u> | <u>878</u> |

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

8 Income tax expense

(Continued)

Factors affecting the tax charge in future years

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. The UK deferred tax asset/(liability) as at 31 March 2021 was calculated at 19%. An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly.

The Group has approximately £39.5 million (2020: £38.2 million) of 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.

9 Property, plant and equipment

| | Rental equipment £'000 | Motor vehicles £'000 | Fixtures, plant and equipment £'000 | Total £'000 |
|--|------------------------------|----------------------------|--|----------------|
| Cost | | | | |
| Balance at 1 April 2019 | 52,837 | 10,516 | 14,919 | 78,272 |
| Additions on adoption of IFRS 16 | - | 3,221 | 9,108 | 12,329 |
| Additions | 3,586 | 1,142 | 1,220 | 5,948 |
| Disposals | (15,696) | (1,929) | (5,378) | (23,003) |
| Foreign exchange difference | 663 | 88 | 65 | 816 |
| Balance at 31 March 2020 | 41,390 | 13,038 | 19,934 | 74,362 |
| Additions | 5,066 | 2,099 | 4,297 | 11,462 |
| Disposals | (6,677) | (2,786) | (7,820) | (17,283) |
| Foreign exchange difference | (756) | (194) | (271) | (1,221) |
| Balance at 31 March 2021 | 39,023 | 12,157 | 16,140 | 67,320 |
| Accumulated depreciation and impairment | | | | |
| Balance at 1 April 2019 | 45,191 | 7,704 | 13,935 | 66,830 |
| Depreciation charge for the year | 3,483 | 2,304 | 3,349 | 9,136 |
| Disposals | (14,491) | (1,928) | (5,269) | (21,688) |
| Foreign exchange difference | 450 | 69 | 52 | 571 |
| Balance at 31 March 2020 | 34,633 | 8,149 | 12,067 | 54,849 |
| Depreciation charge for the year | 3,755 | 2,044 | 3,876 | 9,675 |
| Disposals | (5,128) | (2,370) | (7,598) | (15,096) |
| Impairment | - | - | 195 | 195 |
| Foreign exchange difference | (561) | (111) | (132) | (804) |
| Balance at 31 March 2021 | 32,699 | 7,712 | 8,408 | 48,819 |
| Net book value | | | | |
| At 31 March 2021 | 6,324 | 4,445 | 7,732 | 18,501 |
| At 31 March 2020 | 6,757 | 4,889 | 7,867 | 19,513 |

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Property, plant and equipment

(Continued)

Leased assets

| | Fixtures, plant and equipment £'000 | Motor vehicles £'000 | Total £'000 |
|----------------------------------|--|----------------------------|-------------------|
| Balance at 1 April 2020 | 6,477 | 4,095 | 10,572 |
| Balance at 31 March 2021 | 5,662 | 3,136 | 8,798 |
| Depreciation charge for the year | 2,747 | 1,622 | 4,369 |
| | <u> </u> | <u> </u> | <u> </u> |
| Additions of right-of-use assets | | | 3,757 |
| | | | <u> </u> |

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

10 Intangible assets

| | Goodwill | Customers and marketing | Technology | Other | Total |
|--|----------|----------------------------|------------|---------|---------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost | | | | | |
| Balance at 1 April 2019 | 113,479 | 90,390 | 6,015 | 7,930 | 217,814 |
| Other additions - externally purchased | - | - | - | 381 | 381 |
| Disposals | - | (6,705) | - | (151) | (6,856) |
| Foreign exchange differences | 225 | 1,116 | 6 | 9 | 1,356 |
| Balance at 31 March 2020 | 113,704 | 84,801 | 6,021 | 8,169 | 212,695 |
| Other additions - externally purchased | - | - | - | 549 | 549 |
| Disposals | (2,056) | - | - | (5,453) | (7,509) |
| Foreign exchange differences | (959) | (1,482) | (9) | (39) | (2,489) |
| Balance at 31 March 2021 | 110,689 | 83,319 | 6,012 | 3,226 | 203,246 |
| Amortisation and impairment | | | | | |
| Balance at 1 April 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 differences | - | 530 | 5 | 8 | 543 |
| Balance at 31 March 2020 | 94,508 | 47,753 | 5,648 | 7,290 | 155,199 |
| Charge for the year | - | 7,038 | 344 | 325 | 7,707 |
| Eliminated on disposals | (2,056) | - | - | (5,453) | (7,509) |
| Foreign exchange differences | (663) | (954) | (8) | (37) | (1,662) |
| Balance at 31 March 2021 | 91,789 | 53,837 | 5,984 | 2,125 | 153,735 |
| Net book value | | | | | |
| At 31 March 2021 | 18,900 | 29,482 | 28 | 1,101 | 49,511 |
| At 31 March 2020 | 19,196 | 37,048 | 373 | 879 | 57,496 |

"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.

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

10 Intangible assets

(Continued)

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:

| | 2021 £'000 | 2020 £'000 |
|---------------------------------|---------------|---------------|
| VPS (UK) Limited | 9,650 | 9,650 |
| VPSitex SAS | 3,384 | 3,504 |
| Netherlands | 3,258 | 3,372 |
| Prodomo SAS | 1,776 | 1,839 |
| Evander Glazing & Locks Limited | 831 | 831 |
| | <u>18,899</u> | <u>19,196</u> |

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 | 2021 | 2020 |
| 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% | 9% |
| VPSitex SAS | 2021 | 2020 |
| 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% | 9% |
| Netherlands | 2021 | 2020 |
| 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 | 11% | 10% |
| Site Security | 2021 | 2020 |
| 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% | 9% |
| Prodomo SAS | 2021 | 2020 |
| 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% | 9% |

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

10 Intangible assets

(Continued)

| Evander Glazing and Locks | 2021 | 2020 |
|---|---------|---------|
| 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% | 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. The slight increase in the discount rate compared to 2021 reflects the increase in the underlying risk-free rate based on Bank of England 20-year Government bond from 0.55% to 1.31%.

Cash flow projections are 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 considering 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 cash flow projections for each CGU have been prepared on a prudent basis. If growth rates were to be below those modelled in capex driven CGUs (VPS UK, Site Security VPSitex SAS or Prodomo SAS) the business could reduce capex to offset the cash flow impact of a reduction in EBITDA.

For Service CGUs (Evander), Capex is typically lower so there is less scope to offset lower growth by reducing Capex. However the multi-year, tendered, predictable nature of the contractual revenue streams of both businesses means that the probability of forecasted growth rates not being met is lower.

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 2021 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.

The impairment testing also indicates that the recoverable amount of goodwill and intangible assets exceeds the carrying amount on an individual CGU basis, and as such no impairment charge has been booked in the year ended 31 March 2021.

Impairment calculations are potentially sensitive to changes in the discount rate, and growth rate assumptions. A 1.5% increase in the discount rate (18% 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.

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

11 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 are as follows:

| Name of undertaking | Country of incorporation | Class of shares held | Ownership |
|--|--------------------------|----------------------|-----------|
| Tyrion Security Debtco Limited* | England and Wales | Ordinary | 100% |
| Tyrion Security Midco 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 Secruity 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% |
| VPS Guardians Limited | England and Wales | Ordinary | 100% |
| Redfields Landscaping and Design Limited | England and Wales | Ordinary | 100% |
| Evander Glazing and Locks Limited | England and Wales | Ordinary | 100% |
| Highway Windscreens (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% |
| VPS Residents Temporaires SAS VPSitex | France | Ordinary | 100% |
| 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% |
| VPS Site Security Netherlands BV | Netherlands | 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 Kuypersstraat 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

In November 2020 the group dissolved two wholly owned subsidiaries, Quatro Electronics Limited and Quatro Electronics Holdings Limited. The Group did not make any acquisitions in the year.

On the 1 April 2020, the Company's indirectly held subsidiary VPSitex Holdings Netherlands B.V. incorporated a new company, VPS Site Security Netherlands B.V.

* Directly held

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Deferred tax assets and liabilities

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

| | Assets 2021 £'000 | Liabilities 2021 £'000 | Assets 2020 £'000 | Liabilities 2020 £'000 |
|---------------------|-------------------------|------------------------------|-------------------------|------------------------------|
| Net tax liabilities | - | 5,005 | - | 6,508 |
| | <u>-</u> | <u>5,005</u> | <u>-</u> | <u>6,508</u> |
| | <u>-</u> | <u>5,005</u> | <u>-</u> | <u>6,508</u> |

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 2020 £'000 | Change in tax rate £'000 | Liabilities amortised £'000 | Foreign exchange movements £'000 | Other £'000 | At 31 March 2021 £'000 |
|---------------------|-----------------------------|--------------------------------|-----------------------------------|---|----------------|------------------------------|
| Net tax liabilities | (6,508) | - | 1,402 | 101 | - | (5,005) |
| | <u>(6,508)</u> | <u>-</u> | <u>1,402</u> | <u>101</u> | <u>-</u> | <u>(5,005)</u> |
| | <u>(6,508)</u> | <u>-</u> | <u>1,402</u> | <u>101</u> | <u>-</u> | <u>(5,005)</u> |

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

| | At 1 April 2019 £'000 | Assets written off £'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) |
| | <u>(6,962)</u> | <u>(890)</u> | <u>1,456</u> | <u>(112)</u> | <u>-</u> | <u>(6,508)</u> |
| | <u>(6,962)</u> | <u>(890)</u> | <u>1,456</u> | <u>(112)</u> | <u>-</u> | <u>(6,508)</u> |

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

| 13 Inventories | 2021 £'000 | 2020 £'000 |
|----------------|---------------|---------------|
| Inventory | 2,047 | 1,685 |

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £9.491 million (2020: £12.636 million).

| 14 Trade and other receivables | 2021 £'000 | 2020 £'000 |
|--------------------------------|---------------|---------------|
| Trade receivables | 20,946 | 23,567 |
| VAT recoverable | 717 | 1,073 |
| Prepayments | 2,639 | 3,151 |
| Other receivables | 443 | 1,029 |
| | 24,745 | 28,820 |

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

| 15 Trade and other payables | 2021 £'000 | 2020 £'000 |
|---|---------------|---------------|
| Current: | | |
| Trade payables | 11,326 | 12,571 |
| Non-trade payables and accrued expenses | 3,229 | 3,886 |
| Accruals and deferred income | 16,544 | 17,593 |
| Social security and other taxation | 10,302 | 8,896 |
| Corporation tax | 779 | 1,432 |
| | 42,180 | 44,378 |
| Non-current: | | |
| Shareholder loan notes | 18,308 | 17,071 |
| Other | 1,738 | 2,988 |
| | 20,046 | 20,059 |

The shareholder loan notes accrue interest at an effective rate of 8% per annum (2020: 8%) which is capitalised every six months. Capital and interest are repayable on maturity on 18 July 2022.

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

16 Financial instruments

The Group holds and uses financial instruments to finance its operations and to manage its interest rate, foreign exchange and liquidity risks. The Group primarily finances its operations using share capital, operating cash flow and borrowings.

The Group does not engage in trading or speculative activities using derivative financial instruments.

Financial assets and liabilities

The financial assets and liabilities held by the Group are as follows:

| | 2021 | | 2020 | |
|--|------------------------------|-----------------------------------|------------------------------|-----------------------------------|
| | Financial assets £'000 | Financial liabilities £'000 | Financial assets £'000 | Financial liabilities £'000 |
| Trade and other receivables including contract assets* | 25,459 | - | 27,581 | - |
| Cash | 21,148 | - | 23,281 | - |
| Secured bank borrowings | - | 62,486 | - | 66,204 |
| Finance lease liabilities | - | 2,458 | - | 2,199 |
| IFRS 16 lease liabilities | - | 7,097 | - | 8,498 |
| Trade and other payables | - | 36,908 | - | 38,479 |
| Shareholder loan notes | - | 18,308 | - | 17,071 |
| | <u>46,607</u> | <u>127,257</u> | <u>50,862</u> | <u>132,451</u> |

*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.

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

16 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.

| | 2021 £'000 | 2020 £'000 |
|--------------------------|---------------|---------------|
| Contract assets | | |
| United Kingdom | 1,966 | 1,628 |
| Rest of Europe | 2,104 | 1,357 |
| | <u>4,070</u> | <u>2,985</u> |
| Trade receivables | | |
| United Kingdom | 7,810 | 10,831 |
| Rest of Europe | 13,136 | 12,736 |
| | <u>20,946</u> | <u>23,567</u> |

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

16 Financial instruments

(Continued)

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

| | 2021 £'000 | 2020 £'000 |
|----------------------|---------------|---------------|
| Not past due | 15,740 | 18,040 |
| Past due 0-90 days | 4,163 | 4,674 |
| Past due 90-180 days | 908 | 801 |
| Past due 180+ days | 135 | 52 |
| | <u>20,946</u> | <u>23,567</u> |

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.

| | 2021 £'000 | 2020 £'000 |
|-------------------------------------|---------------|---------------|
| At 1 April 2020 | 7,489 | 7,587 |
| Amounts written off | (33) | 727 |
| Net remeasurement of loss allowance | (1,625) | (825) |
| At 31 March 2021 | <u>5,831</u> | <u>7,489</u> |

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

16 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 2021 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 £0.89 million (2020: £0.85 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 €14.9 million (2020: net liability of €17.1 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 £0.13 million (2020: £0.15 million) assuming all other variables are equal.

Financial liabilities – analysis of maturity dates

At 31 March 2021, 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:

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

16 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 2021 | | | | | |
| Carrying value | 55,075 | 62,486 | 2,458 | 7,097 | 127,116 |
| Contractual cash flows: | | | | | |
| Less than one year | 33,272 | 3,876 | 1,088 | 3,092 | 41,328 |
| One to two years | 20,140 | 60,252 | 893 | 1,798 | 83,083 |
| Two to five years | - | - | 753 | 2,089 | 2,842 |
| Over five years | 1,663 | - | - | 1,135 | 2,798 |
| | <u>55,075</u> | <u>64,128</u> | <u>2,734</u> | <u>8,114</u> | <u>130,051</u> |
| 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 |
| | <u>58,492</u> | <u>69,108</u> | <u>2,451</u> | <u>8,657</u> | <u>138,708</u> |

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

17 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.

| | 2021 £'000 | 2020 £'000 |
|--------------------------------|---------------|---------------|
| Non-current liabilities | | |
| Bank loans | 58,514 | 64,318 |
| Finance lease liabilities | 1,476 | 1,505 |
| | <u>59,990</u> | <u>65,823</u> |
| Current liabilities | | |
| Bank loans | 3,972 | 1,886 |
| Finance lease liabilities | 982 | 694 |
| | <u>4,954</u> | <u>2,580</u> |

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

| Type | Interest rate | Facility amount | | Original facility date | Maturity date |
|----------------------|-----------------|-----------------|---------------|------------------------|---------------|
| | | 2021 £'000 | 2020 £'000 | | |
| Senior Debt – EUR | EURIBOR + 4.28% | 30,954 | 33,770 | Jul 2014 | Jul 2022 |
| Senior Debt – GBP | LIBOR + 4.28% | 14,281 | 15,048 | Jul 2014 | Jul 2022 |
| Mezzanine Debt - EUR | 8% | 17,252 | 16,659 | Jul 2014 | Jul 2022 |

The Senior Debt facilities are repayable in instalments over the period from September 2021 to the facilities' maturity date in July 2022. The percentages repayable are as follows:

| | | |
|-------------------|---|---------|
| 30 September 2021 | - | 2.293% |
| 31 March 2022 | - | 2.290% |
| At Maturity Date | - | 95.417% |

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 £0.0 million (2020: £0.9 million) was drawn down.

Borrowings are secured against the assets of the Group's companies.

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

17 Interest-bearing loans and borrowings

(Continued)

| | Future interest payments 2021 £'000 | Future capital payments 2021 £'000 | Amortised cost 2021 £'000 | Future interest payments 2020 £'000 | Future capital payments 2020 £'000 | Amortised cost 2020 £'000 |
|------------------------|---|--|------------------------------------|---|--|------------------------------------|
| At 31 March | | 64,128 | 62,486 | | 69,108 | 66,205 |
| Settle in year 1 | 2,106 | 3,876 | 2,738 | 2,363 | 3,215 | 1,886 |
| Settle in year 2 | 595 | 60,252 | 59,918 | 2,371 | 3,970 | 2,749 |
| Settle in years 3 to 5 | - | - | - | 674 | 61,923 | 61,570 |
| | <u>2,701</u> | <u>64,128</u> | <u>62,656</u> | <u>5,408</u> | <u>69,108</u> | <u>66,205</u> |

Lease liabilities IFRS 16

Lease liabilities IFRS 16 are payable as follows:

| | Minimum lease payments 2021 £'000 | Interest 2021 £'000 | Principal 2021 £'000 | Minimum lease payments 2020 £'000 | Interest 2020 £'000 | Principal 2020 £'000 |
|-----------------------|---|---------------------------|----------------------------|---|---------------------------|----------------------------|
| Less than 1 year | 3,092 | 448 | 2,644 | 3,616 | 228 | 3,388 |
| Between 1 and 2 years | 1,798 | 160 | 1,638 | 2,370 | 186 | 2,184 |
| Between 2 and 5 years | 2,089 | 265 | 1,824 | 2,658 | 177 | 2,481 |
| More than 5 years | 1,135 | 143 | 992 | 527 | 82 | 445 |
| | <u>8,114</u> | <u>1,016</u> | <u>7,098</u> | <u>9,171</u> | <u>673</u> | <u>8,498</u> |

Finance lease liabilities

Finance lease liabilities are payable as follows:

| | Minimum lease payments 2021 £'000 | Interest 2021 £'000 | Principal 2021 £'000 | Minimum lease payments 2020 £'000 | Interest 2020 £'000 | Principal 2020 £'000 |
|-----------------------|---|---------------------------|----------------------------|---|---------------------------|----------------------------|
| Less than 1 year | 1,088 | 106 | 982 | 775 | 81 | 694 |
| Between 1 and 2 years | 893 | 95 | 798 | 864 | 76 | 788 |
| Between 2 and 5 years | 753 | 75 | 678 | 812 | 95 | 717 |
| | <u>2,734</u> | <u>276</u> | <u>2,458</u> | <u>2,451</u> | <u>252</u> | <u>2,199</u> |

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

18 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 £1.926 million (2020: £2.126 million).

19 Provisions

| | Property | Other - taxation | Other | Total provisions |
|------------------------------|---------------------|---------------------|-------------------|---------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Balance at 1 April 2019 | 1,362 | 1,491 | 399 | 3,252 |
| Transferred to accruals | - | - | (117) | (117) |
| Provision release | (107) | (562) | (96) | (765) |
| Provision utilised | - | (929) | - | (929) |
| | <u>1,255</u> | <u>-</u> | <u>186</u> | <u>1,441</u> |
| Balance at 31 March 2020 | 1,255 | - | 186 | 1,441 |
| Provision increase/(release) | 306 | - | (84) | 222 |
| | <u>1,561</u> | <u>-</u> | <u>102</u> | <u>1,663</u> |
| Balance at 31 March 2021 | 1,561 | - | 102 | 1,663 |
| | <u><u>1,561</u></u> | <u><u>-</u></u> | <u><u>102</u></u> | <u><u>1,663</u></u> |
| Current | - | - | - | - |
| Non-current | 1,561 | - | 102 | 1,663 |

Property

The Group has dilapidation provisions 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.

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

20 Share capital

| Allotted, called up and fully paid | A Ord. Shares of £0.01 each Number | Deferred Shares of £0.0001 each Number | Voting Ord. Shares of £0.01 each Number | Non-Voting Ord. Shares of £0.01 each Number |
|------------------------------------|---|---|--|--|
| AAAt 31 March 2021 and 2020 | 889,650 | 140,213,079 | 55,357 | 35,705 |
| | Share Capital £ | Share premium £ | | |
| AAAt 31 March 2021 and 2020 | 23,828 | 21,583,303 | | |

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 the 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.

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

21 Other reserves

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.

22 Commitments

There were no significant capital commitments at 31 March 2021 (2020: £nil).

23 Related party transactions

Details of transactions between the Group and related parties are detailed below.

Key management personnel compensation

The directors are the key management personnel of the Group.

| | 2021 £'000 | 2020 £'000 |
|---|---------------|---------------|
| Directors' remuneration | 2,475 | 2,920 |
| Company pension contributions to defined contribution schemes | 29 | 34 |
| | <u>2,504</u> | <u>2,954</u> |

Highest paid director

The highest paid director received remuneration of £904,535 (2020: £1,217,032). 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 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 £18.5 million (2020: £17.1 million).

As at 31 March 2021, the amount due to PAI Partners SAS in respect of other arms length transactions was £0.7 million (2020: £1.7 million).

Transactions with the ultimate parent undertaking

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

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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

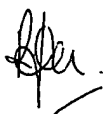
COMPANY BALANCE SHEET AT 31 MARCH 2021

| | <i>Note</i> | 2021 £'000 | 2020 £'000 |
|--|-------------|-----------------------|-----------------------|
| Non-current | | | |
| Investments | 27 | 1,064 | 890 |
| Current assets | | | |
| Amounts due from subsidiary undertakings, including £20,587,000 (2020: £20,761,000 due after one year) | 28 | 20,677 | 20,851 |
| Net assets | | <u>21,741</u> | <u>21,741</u> |
| Capital and reserves | | | |
| Share capital | 29 | 24 | 24 |
| Share premium | | 21,532 | 21,532 |
| Other reserves | | 185 | 185 |
| Total equity and long term liabilities | | <u>21,741</u> | <u>21,741</u> |

Parent Company Statement of Profit and Loss for the Year Ended 31 March 2021

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 2021 is £nil (2020: £nil).

The financial statements were approved by the board of directors and authorised for issue on 8 October 2021 and are signed on its behalf by:



R Jones
Director

Company registered number: 08922409

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

TYRION SECURTY TOPCO LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

| | Share capital | Share premium | Other reserves | Total equity |
|-----------------------------------|------------------|------------------|-------------------|-----------------|
| | £000 | £000 | £000 | £000 |
| Balance at 1 April 2019 | 24 | 21,494 | 185 | 1,702 |
| Issue of shares | - | 38 | - | 38 |
| Balance at 31 March 2020 and 2021 | 24 | 21,532 | 185 | 21,741 |

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

TYRION SECURITY TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

25 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.

Notes (continued)

26 Remuneration of directors

In the year to 31 March 2021, the directors' emoluments were paid by Tyrion Bidco Limited, a fellow group company, and were not recharged to the Company.

27 Fixed asset investments

| | Shares in group undertakings £'000 |
|-------------------------|---|
| Cost | |
| Balance at 1 April 2020 | 890 |
| Additions | 174 |
| | <hr/> |
| At 31 March 2021 | 1,064 |
| | <hr/> |

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

28 Debtors

| | 2021 £'000 | 2020 £'000 |
|------------------------------------|---------------|---------------|
| Amounts owed by group undertakings | 20,677 | 20,851 |
| | <hr/> | <hr/> |

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

29 Share capital

| | 2021 £'000 | 2020 £'000 |
|---|---------------|---------------|
| Allotted, called up and fully paid | | |
| Ordinary shares of £1 each | 24 | 24 |
| | <hr/> | <hr/> |

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.

30 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.