

Registered number: 04835721

VPS HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016



VPS HOLDINGS LIMITED

COMPANY INFORMATION

Directors	David Taylor-Smith (appointed 23 May 2016) James Darnton (appointed 6 October 2016) Keith Reid (resigned 15 July 1937) Mark Silver (resigned 25 May 2016)
Company secretary	Suzanne Hardyman
Registered number	04835721
Registered office	Third Floor, International Buildings 71 Kingsway London WC2B 6ST
Independent auditor	KPMG LLP 58 Clarendon Road Watford Hertfordshire WD17 1DE

VPS HOLDINGS LIMITED

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VPS HOLDINGS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2016**

The directors present their report and the financial statements for the year ended 31 March 2016.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Going Concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The company has net current liabilities of £97,457,000. The parent company has confirmed that intercompany payables will not be called for repayment if that would leave the Company with insufficient funds to pay 3rd party creditors. This confirmation from the parent company supersedes the terms of the intercompany loan agreement which designated the loan as repayable on demand.

According, the Directors adopt the going concern basis in preparing the annual report and financial statements.

Results and dividends

The profit for the year, after taxation, amounted to £8260 thousand (2015: loss £6,332 thousand).

The directors do not recommend the payment of a dividend (2015: £Nil).

Directors

The directors who served during the year and to the date of this report were:

Keith Reid (resigned 15 July 1937)
Mark Silver (resigned 25 May 2016)
David Taylor-Smith (appointed 23 May 2016)
James Darnton (appointed 6 October 2016)

VPS HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

Future developments

The Company is expected to remain to be a holding company in future.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

Auditor

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

This report was approved by the board on **21 February 2017** and signed on its behalf by:

James Darnton
Director



Date: **21 February 2017**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VPS HOLDINGS LIMITED

We have audited the financial statements of VPS Holdings Limited for the year ended 31 March 2016, set out on pages 5 to 20. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Accounting Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VPS HOLDINGS LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we required for our; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



Mark Matthewman (Senior Statutory Auditor)

for and on behalf of
KPMG LLP, Statutory Auditor
Chartered Accountants

58 Clarendon Road
Watford
Hertfordshire
WD17 1DE

Date: 21 February 2017

VPS HOLDINGS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 £nil	2015 £000
Administrative expenses		(393)	(6,169)
Other operating income	3	1,219	1,091
Operating profit/(loss)	4	826	(5,078)
Income from fixed assets investments		-	293
Interest receivable and similar income	8	-	267
Interest payable and expenses	9	-	(1,814)
Profit/(loss) before tax		826	(6,332)
Tax on profit/(loss)	10	-	-
Profit/(loss) for the year		826	(6,332)

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2016 (2015: £nil).

The notes on pages 8 to 20 form part of these financial statements.

VPS HOLDINGS LIMITED
REGISTERED NUMBER: 04835721

BALANCE SHEET
AS AT 31 MARCH 2016

	Note	2016 £000	2016 £000	2015 £000	2015 £000
Intangible assets	11		860		1,218
Investments	12		15,795		15,863
			<u>16,655</u>		<u>17,081</u>
Current assets					
Debtors: amounts falling due within one year	13	11,776		12,213	
Cash at bank and in hand		1		1	
		<u>11,777</u>		<u>12,214</u>	
Creditors: amounts falling due within one year	14	(109,234)		(110,923)	
Net current liabilities			<u>(97,457)</u>		<u>(98,709)</u>
Net liabilities			<u>(80,802)</u>		<u>(81,628)</u>
Capital and reserves					
Called up share capital	16		4		4
Share premium account	17		10,715		10,715
Profit and loss account	17		(91,521)		(92,347)
			<u>(80,802)</u>		<u>(81,628)</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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

.....
James Darnton

Director

21 February 2017

The notes on pages 8 to 20 form part of these financial statements.

VPS HOLDINGS LIMITED
REGISTERED NUMBER: 04835721

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016

	Share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 April 2014	4	10,715	(86,015)	(75,296)
Loss for the year	-	-	(6,332)	(6,332)
As at 31 March 2015	4	10,715	(92,347)	(81,628)
Profit for the year	-	-	826	826
As at 31 March 2016	4	10,715	(91,521)	(80,802)

The notes on pages 8 to 20 form part of these financial statements.

VPS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

1. General information

The Company presents its results in Sterling, to the nearest thousand.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 101 is given in note 20.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note).

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Going Concern

The company depends upon the financial support of its parent company in not seeking repayment of the intergroup creditor of £110,436,000 for a period of twelve months from the date the directors sign these financial statements. The parent undertaking has confirmed that it will not demand repayment of any part of the intercompany loan if that left insufficient assets in the Company to pay 3rd party creditors.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

First time application of FRS 101

In the current year the Company has adopted FRS 101. In previous years the financial statements were prepared in accordance with applicable UK accounting standards.

This change in the basis of preparation has not materially altered the recognition and measurement requirements previously applied in accordance with UK GAAP. Consequently the principal accounting policies are unchanged from the prior year. The change in basis of preparation has enabled the Company to take advantage of all of the available disclosure exemptions permitted by FRS 101 in the financial statements, the most significant of which are summarised below. There have been no other material amendments to the disclosure requirements previously applied in accordance with UK GAAP.

VPS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

2. Accounting policies (continued)

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2.3 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the historic cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company recognises its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

Other than the financial assets in a qualifying hedging relationship, the Company's accounting policy for each category is as follows:

VPS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

2. Accounting policies (continued)

2.6 Financial instruments (continued)

Fair value through profit or loss

This category comprises only in-the-money derivatives. These are carried in the Balance Sheet at fair value with changes in fair value recognised in the Statement of Comprehensive Income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance Sheet.

2.7 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

VPS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

2. Accounting policies (continued)**2.8 Foreign currency translation****Functional and presentation currency**

The Company's functional and presentational currency is Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.9 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.11 Other operating income

Other operating income relates to the intercompany recharge of royalties for use of VPS trademarks.

2.12 Judgments in applying accounting policies and key sources of estimation uncertainty

There were no significant judgments made or estimation uncertainty in applying the accounting policies, other than the valuation of subsidiary undertakings. After reviewing the projected future cash flows of subsidiary undertakings it is considered that there is no need to impair the carrying value, other than a write-down of one of the smaller overseas subsidiary undertakings by £68,000 to £Nil.

3. Other operating income

	2016 £000	2015 £000
Royalty receivable	1,219	1,091
	<u>1,219</u>	<u>1,091</u>

VPS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

4. Operating profit/(loss)

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

	2016	2015
	£000	£000
Amortisation of intangible assets	(358)	(358)
Difference on foreign exchange	66	(618)
	<u>66</u>	<u>(618)</u>

5. Administrative expenses

	2016	2015
	£000	£000
Recurring		
Administrative expenses	360	977
	<u>360</u>	<u>977</u>
Non-recurring		
Net loss on sale of fixed asset investments	-	3,962
Non-recurring advisor fees	33	1,230
	<u>393</u>	<u>6,169</u>

During the year a US legal claim against Quatro Electronics Limited, a subsidiary company, was settled. The claim was instigated by a competing alarm manufacturer who made a number of claims against the products sold by Quatro Electronics Limited. As a result of settling the claim, a provision for £500,000 of US legal costs was released against intercompany balances.

6. Staff numbers and costs

The company has no employees (2015: 0) other than the directors. Directors were remunerated by other Group companies, and their remuneration is disclosed in the consolidated financial statements of Tyrion Security Midco Limited.

7. Income from fixed asset investments

	2016	2015
	£000	£000
Dividends received from subsidiary companies	-	293
	<u>-</u>	<u>293</u>

VPS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

8. Interest receivable and similar income

	2016 £000	2015 £000
Interest receivable from group companies	-	267
	<u>-</u>	<u>267</u>
	<u>-</u>	<u>267</u>

9. Interest payable and similar charges

	2016 £000	2015 £000
On Shareholder loan notes	-	1,814
	<u>-</u>	<u>1,814</u>
	<u>-</u>	<u>1,814</u>

The shareholder loan notes were repaid upon the acquisition of VPS Holdings Limited by Tyrion Security Bidco Limited on 18 July 2014.

10. Taxation

	2016 £000	2015 £000
Current tax on profits for the year	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

VPS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - *higher than*) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016 £000	2015 £000
Profit on ordinary activities before tax	826	(6,332)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	165	(1,330)
Effects of:		
Fixed asset differences	72	26
Expenses not deductible for tax purposes	14	1,185
Other differences	-	105
Adjustments to losses	(251)	(384)
Unrelieved tax losses carried forward	-	398
Total tax charge for the year	-	-

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015.

An additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

VPS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

11. Intangible assets

	Trademarks £000
Cost	
At 1 April 2015	2,650
At 31 March 2016	<u>2,650</u>
Amortisation	
At 1 April 2015	1,432
Charge for the year	358
At 31 March 2016	<u>1,790</u>
Net book value	
At 31 March 2016	<u><u>860</u></u>
At 31 March 2015	<u><u>1,218</u></u>

VPS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

12. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 April 2015	20,152
At 31 March 2016	<u>20,152</u>
Impairment	
At 1 April 2015	4,289
Charge for the period	68
At 31 March 2016	<u>4,357</u>
Net book value	
At 31 March 2016	<u>15,795</u>
At 31 March 2015	<u>15,863</u>

Subsidiary undertakings

The following were subsidiary (*indirect subsidiary) undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Vacant Property Security Limited	England and Wales	Ordinary	100 %	Holding company
VPS Vacant Property Specialists Limited	England and Wales	Ordinary	100 %	Dormant
VPSitex Deutschland GmbH	Germany	Ordinary	100 %	Provision of security equipment and services
VPSitex Italia S.R.L.	Italy	Ordinary	100 %	Provision of security equipment and services
Safe Estates Services Limited	England and Wales	Ordinary	100 %	Dormant
VPSitex Ireland Limited	Ireland	Ordinary	100 %	Provision of security equipment and services
Quatro Electronics Holdings Limited*	England and Wales	Ordinary	100 %	Provision of security equipment and services

VPS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

12. Fixed asset investments (continued)

Quatro Electronics Limited*	England and Wales	Ordinary	100 %	Provision of security equipment and services
VPS (UK) Limited*	England and Wales	Ordinary	100 %	Provision of security equipment and services
VPSitex NI Limited*	England and Wales	Ordinary	100 %	Provision of security equipment and services
Broomco (4016) Limited*	England and Wales	Ordinary	100 %	Dormant
Camwatch Limited*	England and Wales	Ordinary	100 %	Dormant
VPS Site Security Limited*	England and Wales	Ordinary	100 %	Provision of security equipment and services
Redfields Landscaping & Design Limited*	England and Wales	Ordinary	100 %	Provision of landscaping and grounds maintenance services
Lotus Landscapes Limited*	England and Wales	Ordinary	100 %	Provision of landscaping and grounds maintenance services
Cherry Topco Limited*	England and Wales	Ordinary	100 %	Holding company
Cherry Midco 1 Limited*	England and Wales	Ordinary	100 %	Holding company
Cherry Midco 2 Limited*	England and Wales	Ordinary	100 %	Holding company
Cherry Bidco Limited*	England and Wales	Ordinary	100 %	Holding company
Evander Group Limited*	England and Wales	Ordinary	100 %	Holding company
Evander Limited*	England and Wales	Ordinary	100 %	Holding company
Evander Glazing and Locks Limited*	England and Wales	Ordinary	100 %	Provision of emergency glazing, lock and door fitting services
Highway Windscreens (UK) Limited*	England and Wales	Ordinary	100 %	Dormant
Highway Glass Limited*	England and Wales	Ordinary	100 %	Dormant
Evander Group Trustee Limited*	England and Wales	Ordinary	100 %	Dormant
VPSitex Holdings Netherlands B.V.*	Netherlands	Ordinary	100 %	Holding company
FMT Beheer B.V.*	Netherlands	Ordinary	100 %	Provision of security equipment and services
VPSitex Espana S.L.U.*	Spain	Ordinary	100 %	Provision of security equipment and services
VPSitex Holdings France SAS*	France	Ordinary	100 %	Provision of security equipment and services

VPS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

12. Fixed asset investments (continued)

VPSitex SAS*	France	Ordinary	100 % Provision of security equipment and services
Prodomo SAS*	France	Ordinary	100 % Provision of security equipment and services
Protel SAS*	France	Ordinary	100 % Provision of security equipment and services

13. Debtors

	2016 £000	2015 £000
Amounts owed by group undertakings	11,757	12,208
Other debtors	19	5
	<u>11,776</u>	<u>12,213</u>

The amounts owed by group undertakings are non-interest bearing balances and are repayable on demand.

14. Creditors: Amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	16	106
Amounts owed to group undertakings	109,218	110,317
Accruals and deferred income	-	500
	<u>109,234</u>	<u>110,923</u>

The amounts owed to group undertakings are unsecured, non-interest bearing and are repayable on demand should the Company have available cash resources after payment of all trade and other liabilities.

VPS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

15. Financial instruments

	2016 £000	2015 £000
Financial assets		
Cash	1	1
Financial assets that are debt instruments measured at amortised cost	11,776	12,213
	<u>11,777</u>	<u>12,214</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(109,234)	(110,923)
	<u>(109,234)</u>	<u>(110,923)</u>

Financial assets measured at amortised cost comprise amounts owed by group undertakings and miscellaneous debtors.

The carrying value of cash approximates its fair value.

Financial liabilities measured at amortised cost comprise amounts due to group undertakings and trade creditors.

VPS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

16. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
3,430,761 (2015 - 3,430,761) Ordinary A shares of £0.001 each	3,431	3,431
162,690 (2015 - 162,690) Ordinary B shares of £0.00112 each	182	182
	<u>3,613</u>	<u>3,613</u>

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

17. Reserves

Share premium

Includes all amounts received in excess of the nominal value of the shares.

Profit and loss account

Includes all current and prior period retained profits and losses.

18. Contingent Liabilities

The Company is party to a banking facility under which it has guaranteed the bank borrowings of its fellow companies. At the balance sheet date the total net bank borrowings (senior debt less cash) of the Group were £95,100,000 (2015: £82,465,000).

19. Ultimate parent undertaking and controlling party

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

The immediate parent undertaking is Tyrion Security Bidco Limited. The smallest group that these Company results are consolidated into is that headed by Tyrion Security Midco Limited. Copies of the group financial statements of Tyrion Security Midco are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

20. First time adoption of FRS 101

The policies applied under the entity's previous accounting framework are not materially different to FRS 101 and have not impacted on equity or profit or loss.