

Registered number: 1986024

G4S Security Systems (UK) Limited
Annual report and financial statements
for the year ended 31 December 2008

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G4S Security Systems (UK) Limited

Annual report and financial statements for the year ended 31 December 2008

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G4S Security Systems (UK) Limited

Directors' report for the year ended 31 December 2008

The directors submit their annual report and the audited financial statements of G4S Security Systems (UK) Limited for the year ended 31 December 2008.

Principal activity

The principal activity of the company throughout the year was the sale, installation and servicing of electronic security systems.

Review of business and future developments

Organisational changes are disclosed as a post balance date event in note 24. The planned changes will result in the company continuing to operate under a more targeted sector-based approach.

Key performance indicators

Key performance indicators regarding the development, performance and position of the business are included within the Financial Review of the ultimate parent undertakings' consolidated financial statements (see note 23).

Financial risk management

The financial risk management objectives and policies of the company are disclosed in the ultimate parent undertakings' consolidated financial statements which are publicly available (see note 23).

Results and dividends

The results for the year are set out in the profit and loss account on page 5. No dividends were proposed or paid during the year (2007: £0).

Directors

The directors who held office during the year ended 31 December 2008, and subsequently, were:

- N D Bettes
- C Kipps (appointed 22/1/2008)
- J Darnton (appointed 22/1/2008)
- J M Patterson (resigned 14/1/2008)
- G N Grosso (resigned 22/1/2008)

The company secretary is V Patel.

G4S Security Systems (UK) Limited

Directors' report for the year ended 31 December 2008 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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.

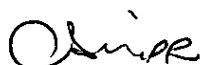
The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors and disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are individually aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he/she ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the board on 4/8/2009 and signed on its behalf.



C Kipps
Director

Independent auditors' report to the members of G4S Security Systems (UK) Limited

We have audited the financial statements of G4S Security Systems (UK) Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the note of historical cost profits and losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 Auditors' 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

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Barnes Roffe LLP
Barnes Roffe LLP

Chartered Accountants and Registered Auditors

3 Brook Business Centre, Cowley Mill Road, Uxbridge, Middlesex, UB8 2FX

20 August 2009

G4S Security Systems (UK) Limited

Profit and loss account for the year ended 31 December 2008

		2008	8 months ended 31 December 2007
	Note	£'000	£'000
Turnover	2	5,812	3,076
Cost of sales		(3,937)	(2,197)
Gross profit		1,875	879
Administrative and selling expenses		(2,540)	(1,653)
Operating loss	4	(665)	(774)
Interest paid and similar charges	5	(71)	(3)
Interest received and similar income	5	5	4
Loss on ordinary activities before taxation		(731)	(773)
Tax on profit on ordinary activities	6	0	0
Loss for the financial year	17	(731)	(773)

All of the above activities relate to continuing activities for both financial periods.

There were no recognised gains and losses for 2007 or 2008 other than those included in the profit and loss account.

The notes on pages 7 to 19 form part of these financial statements.

G4S Security Systems (UK) Limited

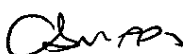
Notes to the financial statements for the year ended 31 December 2008

Balance sheet as at 31 December 2008

	Note	2008 £'000	As restated 2007 £'000
Fixed assets			
Intangible assets	8	49	26
Tangible assets	9	93	100
		142	126
Current assets			
Stock	10	210	117
Debtors: amounts falling due within one year	11	2,397	1,111
Cash at bank and in hand		209	88
		2,816	1,316
Creditors: amounts falling due within one year	13	2,302	2,068
Net current assets (liabilities)		514	(752)
Total assets less current liabilities		656	(626)
Creditors: amounts falling due after more than one year	14	2,052	40
Net liabilities		(1,396)	(666)
Capital and reserves			
Called up share capital	15	320	320
Share premium reserve	16	39	39
Retained earnings	16	(1,755)	(1,025)
Total shareholders' funds	17	(1,396)	(666)

The notes on pages 7 to 19 form part of these financial statements.

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

by 

4/8/09

C Kipps
Finance Director

G4S Security Systems (UK) Limited

Notes to the financial statements for the year ended 31 December 2008

1 Accounting policies

A summary of the company's principal accounting policies, which have been consistently applied for both financial years, is set out below.

Basis of preparation of financial statements

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with applicable UK accounting and financial reporting standards, and the Companies Act 1985.

Cash flow statement

At 31 December 2008, the ultimate parent of the company was G4S plc, a company which prepares consolidated financial statements including a cash flow statement. In accordance with Financial Reporting Standard 1 (revised 1996) no cash flow statement is included in these financial statements.

Comparatives

Tangible fixed assets have been restated in order to reclassify software assets with a net book value brought forward of £26k as intangible assets. The comparatives have also been restated in order to reclassify £240k of amounts previously included as work in progress as accrued income, and in order to reclassify amounts of £41k previously included within trade debtors as amounts due from group undertakings.

There has been no effect on the net assets or profit of the company arising from these reclassifications, which have been made as the directors believe that they better enable the accounts to show a true and fair view.

Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

Stock

Stock is stated at the lower of cost and net realisable value. Cost includes all expenditure incurred in the normal course of business in bringing the stock to its present location and condition.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted, or substantially enacted, by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Intangible fixed assets and amortisation

Tangible fixed assets are shown at depreciated historical cost. Depreciation is calculated to recognise the consumption of the economic benefits of tangible fixed assets over their economic lives. Depreciation is calculated on a straight-line basis to write off cost less any residual value and the principal rates are as follows:

Software	25% straight line
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G4S Security Systems (UK) Limited

Notes to the financial statements for the year ended 31 December 2008

1 Accounting policies (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are shown at depreciated historical cost. Depreciation is calculated to recognise the consumption of the economic benefits of tangible fixed assets over their economic lives. Depreciation is calculated on a straight-line basis to write off cost less any residual value and the principal rates are as follows:

Leasehold improvements	Over the life of the lease
Fixtures & fittings	25% straight line
Motor vehicles	25% straight line
Plant and equipment	25% straight line

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership, the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding lease commitments are shown as obligations to the lessor. Lease payments are split between capital and interest elements using the annuity method. Depreciation on the relevant assets and interest are charged to the profit and loss account. All other leases are operating leases and the annual rentals are charged to operating profit on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period.

Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

Going concern

The financial statements of the company have been prepared on the going concern basis which assumes the company will be in operational existence for the foreseeable future. The company's balance sheet shows net liabilities of £1,396k which indicates that the company may not be a going concern. However, the company is indebted to the immediate parent company G4S Security Services (UK) Limited to the extent of £1,135k and G4S plc to the extent of £2,040k. The immediate parent company will not claim repayment of this amount until the company has sufficient resources to pay its creditors in the normal course of business. The parent company is also willing to provide ongoing financial support as required in order to enable G4S Security Systems (UK) Limited to remain a going concern for at least twelve months from the date that the balance sheet was signed. The directors therefore consider it is appropriate to prepare these accounts on the going concern basis.

Organisational changes are disclosed as a post balance date event in note 24. The planned changes will result in the company continuing to operate under a more targeted sector-based approach. The directors do not consider the organisational changes as having any impact on the preparation of these statements on a going concern basis.

G4S Security Systems (UK) Limited

Notes to the financial statements for the year ended 31 December 2008

2 Segmental reporting

The directors consider the company to operate within one geographical segment (the United Kingdom) and one class of business (the provision of products and services relating to security systems). Accordingly, no segmental information has been disclosed.

3 Employees

	2008	8 months ended 31 December 2007
	£'000	£'000
Staff costs (including directors):		
Wages and salaries	2,174	965
Social security costs	229	84
Other pension costs (note 18)	60	23
	2,463	1,072

	2008	2007
	Number	Number
Average number of PPP and PFI employees (including directors)	55	36

	2008	8 months ended 31 December 2007
	£'000	£'000
Directors' emoluments		
Aggregate directors' emoluments	70	58
Pension contributions under a defined contribution scheme	5	7
Number of directors with benefits accruing under a defined contribution scheme	1	1

During the year £130k (2007 - £0) was paid to third parties for directors' services.

G4S Security Systems (UK) Limited

Notes to the financial statements for the year ended 31 December 2008

4 Operating profit

This is stated after charging/(crediting):

	2008	8 months ended 31 December 2007
	£'000	£'000
Amortisation of software (note 8)	11	9
Depreciation of tangible fixed assets (note 9)		
- Owned assets	25	5
- Leased assets	10	15
Loss (gain) on disposal of fixed assets	1	(4)
Operating lease rentals:		
- Premises	35	45
Services provided by the company's auditors		
Auditor's remuneration for audit services	8	4
Auditor's remuneration for other services – all other services	0	1

The comparatives for depreciation have been restated to present it across the different classes of asset shown above.

G4S Security Systems (UK) Limited

Notes to the financial statements for the year ended 31 December 2008

5 Interest

	2008	8 months ended 31 December 2007
	£'000	£'000
<hr/>		
Interest payable and similar charges:		
Preference share dividends	1	1
Finance leases (note 14)	1	2
Interest on Group loan	68	0
Other interest payable	1	0
	71	3
<hr/>		
Interest receivable and similar income:		
Bank accounts	5	4
	5	4
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G4S Security Systems (UK) Limited

Notes to the financial statements for the year ended 31 December 2008

6 Tax on profit on ordinary activities

	2008	8 months ended 31 December 2007
	£'000	£'000
Analysis of tax charge for the year		
Current tax		
UK corporation tax on profits of the year	0	0
Total current tax	0	0

The tax for 2008 is higher (2007: higher) than the standard rate of corporation tax in the UK of 28.5% (2007: 30%) and the differences are explained below:

	2008	8 months ended 31 December 2007
	£'000	£'000
Profit on ordinary activities before taxation	(731)	(773)
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.5% (2007: 30%)	(208)	(232)
Effects of:		
Expenses not deductible for tax purposes	(39)	16
Capital allowances for the period in excess of depreciation	1	(31)
Current year losses carried forward	247	248
Non-trading deficit	(1)	(1)
Current tax charge for the year	0	0

The company has taxable losses of approximately £2,003k to carry forward against future taxable profits.

Factors affecting future tax charges

The standard rate of Corporation Tax in the UK changed from 30% to 28% with effect from 1 April 2008. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 28.5% and will be taxed at 28% in the future.

G4S Security Systems (UK) Limited

Notes to the financial statements for the year ended 31 December 2008

7 Dividends on preference share

In accordance with FRS 4 the company has appropriated through the profit and loss account, preference share dividends totalling £1k on the company's 4% redeemable preference shares of £1 each. However, as the company does not have sufficient distributable reserves in order to pay the preference share dividends, they have been credited back to the profit and loss account reserves (note 16).

The total arrears of fixed cumulative dividends at 31 December 2008 were £8,273 (31 December 2007 - £7,033).

8 Intangible assets

	Software £'000
Cost	
At 1 January 2008 (as restated)	35
Additions	26
At 31 December 2008	61
Amortisation	
At 1 January 2008 (as restated)	(1)
Charge for the year	(11)
At 31 December 2008	(12)
Net book value at 31 December 2008	49
At 31 December 2007	26

G4S Security Systems (UK) Limited

Notes to the financial statements for the year ended 31 December 2008

9 Tangible assets

	Leasehold improve- ments	Fixtures & fittings	Motor vehicles held under finance leases	Plant & equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 January 2008 (as restated)	35	18	99	183	335
Additions	19	5	0	32	56
Disposals	0	-16	-60	-139	-215
At 31 December 2008	54	7	39	76	176
Accumulated depreciation					
At 1 January 2008 (as restated)	0	17	64	164	245
Charge for the year	6	1	10	18	35
Disposals	0	-16	-42	-139	-197
At 31 December 2008	6	2	32	43	83
Net book value at 31 December 2008	48	5	7	33	93
At 31 December 2007	35	1	35	29	100

Motor vehicles were the only assets held under finance leases in 2007 and 2008.

10 Stocks

	2008	As restated 2007
	£'000	£'000
Finished goods	210	117
	210	117

G4S Security Systems (UK) Limited

Notes to the financial statements for the year ended 31 December 2008

11 Debtors: amounts falling due within one year:

	2008	As restated 2007
	£'000	£'000
Trade debtors	1,000	795
Accrued revenue	541	240
Amounts due from group undertakings (members of G4S plc group)	768	41
Other debtors	69	24
Prepayments	19	11
	2,397	1,111

The 2007 amount of work in progress (£240k) has been reclassified as accrued revenue because this balance represented revenue accrued for work already performed for customers.

12 Deferred taxation

No deferred tax asset has been recognised because it is not certain that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted in the near future.

13 Creditors: amounts falling due within one year

	2008	2007
	£'000	£'000
Trade creditors	549	704
Amounts due to group undertakings (members of G4S plc group)	1,157	422
Net obligations due under finance leases (note 14)	4	17
Accruals and deferred income	592	925
	2,302	2,068

Amounts owed to group undertakings are interest free and repayable on demand.

G4S Security Systems (UK) Limited

Notes to the financial statements for the year ended 31 December 2008

14 Creditors: amounts falling due after more than one year

	2008	2007
	£'000	£'000
Group loan	2,018	0
Net obligations due under finance leases	3	9
Share capital classified as debt (note 15)	31	31
	2,052	40
Net obligations due under finance leases: debt maturity profile		
In one year or less, or on demand	4	17
In more than one year, but not more than two years	3	6
In more than two years, but not more than five	0	3
In more than five years	0	0
	7	26

15 Called up share capital

Shares classified as capital

	2008	2007
	£ '000	£ '000
Authorised:		
9,787 Ordinary shares of £1 each	10	10
150 'B' Ordinary shares of £1 each	0	0
63 Ordinary non-voting shares of £1 each	0	0
1,468,967 0% preference shares of £1 each	1,469	1,469

G4S Security Systems (UK) Limited

Notes to the financial statements for the year ended 31 December 2008

	2008	2007
Allotted, issued and fully paid:		
1,287 Ordinary shares of £1 each	1	1
150 'B' Ordinary shares of £1 each	0	0
63 Ordinary non-voting shares of £1 each	0	0
318,967 0% preference shares of £1 each	319	319
Total allotted, issued and fully paid capital	320	320

Shares classified as debt

	2008	2007
	£ 000'	£ 000'
Authorised:		
31,033 4% preference shares of £1 each	31	31

Allotted, issued and fully paid:

31,033 4% preference shares of £1 each	31	31
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The ordinary non-voting shares carry no voting rights. The payment of a dividend on one class of ordinary shares does not result in the requirement for a dividend payment on the other classes. All classes of ordinary shares rank pari passu in all other respects.

The preference shares do not carry any voting rights.

16 Share premium and retained earnings

	Share premium reserve	Retained earnings	Total
	£'000	£'000	£'000
At 1 January 2008	39	(1,025)	(986)
Profit for the financial year (note 17)		(731)	(731)
Preference share dividend appropriation		1	1
At 31 December 2008	39	(1,755)	(1,716)

G4S Security Systems (UK) Limited

Notes to the financial statements for the year ended 31 December 2008

17 Reconciliation of movement in total shareholders' funds

	2008	8 months ended 31 December 2007
	£'000	£'000
Profit for the financial year	(731)	(773)
Preference share dividend appropriation	1	1
Net decrease in total shareholders' funds	(730)	(772)
Opening total shareholders' funds	(666)	106
Closing total shareholders' funds	(1,396)	(666)

18 Pension arrangements

The company operates a defined contribution pension scheme in respect of its directors and staff. The scheme and its assets are held by independent managers provided by Equitable Life and Winterthur. The pension charge represents contributions due from the company and amounted to £60k (8 months to 31 December 2007 £23k.)

19 Operating lease commitments

The company has entered into operating leases and has annual commitments under leases expiring as follows:

	2008		2007	
	Land & buildings	Other	Land & buildings	Other
	£'000	£'000	£'000	£'000
Within one year	5	5	7	0
Between two and five years	31	90	0	0
After five years	0	0	0	0
	36	95	7	0

20 Related party transactions

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, not to disclose any transactions with the entities that are included in the consolidated financial statements of Group 4 Securicor plc, the ultimate parent company.

G4S Security Systems (UK) Limited

Notes to the financial statements for the year ended 31 December 2008

21 Capital commitments

The company has no capital commitments as at 31 December 2008 (2007: £0).

22 Contingent liabilities

There are no contingent liabilities at 31 December 2008 (2007: £0).

23 Ultimate parent undertaking

The immediate parent company is G4S Security Services (UK) Limited, a company incorporated in England. The ultimate parent company is G4S plc, which is registered in England and Wales. Copies of the group accounts of that company can be obtained from The Manor, Manor Royal, Crawley, West Sussex, RH10 9UN.

24 Post balance date events

Organisational changes were announced in February 2009 involving the transfer of operational and support activities to G4 Technology Limited (a subsidiary of G4S plc). The changes have a planned completion date of 30 June 2009.