

**SIGMA SECURITY LIMITED**

**DIRECTORS' REPORT AND ACCOUNTS**

**30 JUNE 1995**

**Registered number: 2090617**



# **SIGMA SECURITY LIMITED**

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## **SIGMA SECURITY LIMITED**

### **DIRECTORS' REPORT**

The directors present their report, together with the audited accounts for the year ended 30 June 1995.

#### **ACTIVITIES**

The company's principal activity was the provision of security services.

#### **BUSINESS REVIEW**

##### **Results**

The results of the year are shown in the accompanying accounts.

The profit for the year after tax of £12,408 (1994: £10,891), was transferred to reserves.

##### **Dividends**

The directors do not recommend the payment of a dividend.

##### **Events since the end of the year**

There have been no events since the end of the year which have had a significant effect on the company's trading or financial position.

##### **Future developments**

The directors intend to promote and develop the company's present range of services in order to continue to improve the net asset position of the company in the ensuing year.

##### **Disabled employees**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that 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 with that of other employees.

##### **Employee consultation**

The company places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the company. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

## **SIGMA SECURITY LIMITED**

### **DIRECTORS' REPORT (Continued)**

#### **DIRECTORS AND THEIR INTEREST IN SHARES**

The directors who served during the year and their beneficial interests in the shares of the company were as follows:

	<u>Ordinary £1 shares</u>	
	<u>1995</u>	<u>1994</u>
P F H Bates	-	-
T D W Slater	-	-
J N Vale	25	25
M T McGinty (resigned 1 November 1994)	-	-
P S Jacomb (appointed 1 November 1994)	-	-
	<u>25</u>	<u>25</u>

Directors' interests in the shares of the parent undertaking, The Sigma Group Limited, were as follows:

	<u>Ordinary £1 shares</u>	
	<u>1995</u>	<u>1994</u>
P F H Bates	69	69
T D W Slater	30	30
J N Vale	<u>1</u>	<u>1</u>
	<u>100</u>	<u>100</u>

#### **DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

## **SIGMA SECURITY LIMITED**

### **DIRECTORS' REPORT (Continued)**

#### **DIRECTORS' RESPONSIBILITIES (Continued)**

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

#### **FIXED ASSETS**

Fixed asset movements are shown under note 4 on page 9 to the accounts.

#### **AUDITORS**

A resolution concerning the reappointment of Price Waterhouse will be presented at the forthcoming Annual General Meeting in accordance with Section 385 of the Companies Act 1985.

By Order of the Board



T D W Slater  
Secretary

Registered office:  
The Old Brewery  
Kingsclere  
Newbury  
Berkshire

*Price Waterhouse*



## **REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF SIGMA SECURITY LIMITED**

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and in accordance with applicable accounting standards.

### **Respective responsibilities of directors and auditors**

As described on pages 2 and 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### **Basis of opinion**

We conducted our audit in accordance with Auditing Standards 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 judgements 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 of the state of the company's affairs as at 30 June 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Price Waterhouse*

Price Waterhouse  
Chartered Accountants  
and Registered Auditors

31 May 1995

# **SIGMA SECURITY LIMITED**

## **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 1995**

		<u>Continuing Operations</u>	
	<u>Notes</u>	<u>1995</u>	<u>1994</u>
		£	£
<b>TURNOVER</b>	1,2	13,832,650	11,426,748
Cost of sales		<u>(12,074,815)</u>	<u>(9,784,851)</u>
<b>GROSS PROFIT</b>		1,757,835	1,641,897
Administrative expenses		(323,104)	(202,594)
Management charges		<u>(1,417,848)</u>	<u>(1,428,340)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	16,883	10,963
Taxation	9	<u>(4,475)</u>	<u>(72)</u>
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>	11,12	<u><u>12,408</u></u>	<u><u>10,891</u></u>

There are no recognised gains or losses other than those recognised in the profit and loss account.

The notes on pages 7 to 12 form an integral part of these financial statements.

# SIGMA SECURITY LIMITED

## BALANCE SHEET - 30 JUNE 1995

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	4	97,558	32,518
<b>CURRENT ASSETS</b>			
Stocks	5	38,547	38,102
Debtors	6	2,111,224	1,775,854
Cash at bank and in hand		<u>349,043</u>	<u>302,912</u>
		2,498,814	2,116,868
<b>CREDITORS: Amounts falling due within one year</b>	7	<u>(2,423,802)</u>	<u>(1,989,224)</u>
<b>NET CURRENT ASSETS</b>		<u>75,012</u>	<u>127,644</u>
<b>NET ASSETS</b>		<u>172,570</u>	<u>160,162</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	100	100
Profit and loss account	11	<u>172,470</u>	<u>160,062</u>
<b>SHAREHOLDERS' FUNDS</b>	12	<u>172,570</u>	<u>160,162</u>

Signed on behalf of the Board on 31/8/1995

P F H Bates  
Director

T D W Slater  
Director

The notes on pages 7 to 12 form an integral part of these financial statements.



## **SIGMA SECURITY LIMITED**

### **NOTES TO THE ACCOUNTS - 30 JUNE 1995**

#### **1 STATEMENT OF ACCOUNTING POLICIES**

The accounting policies adopted and consistently followed by the company are as follows:

##### **(1) Basis of accounting**

The accounts have been prepared in accordance with applicable accounting standards and on the basis of historical costs.

##### **(2) Turnover**

Turnover comprises the value of sales (excluding VAT) on goods and services provided in the normal course of business.

##### **(3) Tangible assets**

Depreciation has been provided in order to write off each asset over its estimated useful life, using the following rates:

Motor vehicles (new) - 30% per annum on cost

Motor vehicles (used) - 40% per annum on cost

##### **(4) Stocks**

Stocks have been valued at the lower of cost and net realisable value.

##### **(5) Taxation**

Corporation tax payable is provided on taxable profits at the current rates. Deferred tax is not provided on timing differences where, in the opinion of the directors, it is probable that the asset or liability will not crystallise in the foreseeable future.

##### **(6) Leasing commitments**

Rentals paid under contract hire are charged to the profit and loss account as incurred.

# SIGMA SECURITY LIMITED

## NOTES TO THE ACCOUNTS - 30 JUNE 1995 (Continued)

### 2 TURNOVER

The turnover is derived wholly from within the United Kingdom, and relates entirely to the provision of security services.

### 3 OPERATING PROFIT

	<u>1995</u>	<u>1994</u>
	£	£
(a) Operating profit is stated after charging/(crediting):		
Depreciation	26,488	13,100
Staff costs (including directors)		
Wages and salaries	10,408,666	8,250,181
Social security costs	1,061,684	839,013
Other pension costs	10,112	1,312
Contract car hire	111,998	76,335
Loss/(profit) on disposal of fixed assets	<u>1,555</u>	<u>(4,550)</u>

Auditors' remuneration for audit services is borne by the parent undertaking.

### (b) Particulars of staff

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

	<u>Number</u>	<u>Number</u>
Management	5	4
Administration	19	18
Security staff	<u>852</u>	<u>765</u>
	<u>876</u>	<u>787</u>

## SIGMA SECURITY LIMITED

### NOTES TO THE ACCOUNTS - 30 JUNE 1995 (Continued)

#### 3 OPERATING PROFIT (Continued)

##### (c) Directors' emoluments

Aggregate emoluments of the directors of the company were £24,915 (1994: £23,285). These emoluments, excluding pension contributions, were made up as follows:

The highest paid director received £23,410 (1994: £21,973), the chairman received £Nil (1994: £Nil).

	<u>1995</u>	<u>1994</u>
All directors	Number	Number
£0 - £5,000	4	4
£20,001 - £25,000	1	1

Four of the directors were remunerated by The Sigma Group Limited, the ultimate parent undertaking.

#### 4 FIXED ASSETS

##### Tangible assets

Motor  
vehicles  
£

##### Cost

At 1 July 1994	49,195
Additions in the year	97,655
Disposals in the year	(18,735)
At 30 June 1995	<u>128,115</u>

##### Depreciation

At 1 July 1994	16,677
Charge for the year	26,488
Released on disposals	(12,608)
At 30 June 1995	<u>30,557</u>

##### Net book amount

At 30 June 1995	<u>97,558</u>
At 30 June 1994	<u>32,518</u>

# SIGMA SECURITY LIMITED

## NOTES TO THE ACCOUNTS - 30 JUNE 1995 (Continued)

### 5 STOCKS

	<u>1995</u>	<u>1994</u>
	£	£
Uniforms	<u>38,547</u>	<u>38,102</u>

### 6 DEBTORS

	<u>1995</u>	<u>1994</u>
	£	£
Amounts falling due within one year:		
Trade debtors	2,043,608	1,749,609
Other debtors	2,398	2,606
Amounts due from group undertakings	306	148
Amounts due from associated undertakings	18	-
Prepayments and accrued income	<u>64,894</u>	<u>23,491</u>
	<u>2,111,224</u>	<u>1,775,854</u>

### 7 CREDITORS

	<u>1995</u>	<u>1994</u>
	£	£
Amounts falling due within one year:		
Trade creditors	20,131	26,813
Amounts invoiced in advance	210,848	221,664
Corporation tax	4,475	72
Other taxation and social security costs	859,153	695,766
Amount due to group undertakings	832,000	642,020
Accruals, deferred income and other creditors	<u>497,195</u>	<u>402,889</u>
	<u>2,423,802</u>	<u>1,989,224</u>

### 8 CONTRACT CAR HIRE OBLIGATIONS

	<u>1995</u>	<u>1994</u>
	£	£
Annual commitments which expire:		
Under one year	59,386	23,094
In the second to fifth year	<u>71,589</u>	<u>94,490</u>
	<u>130,975</u>	<u>117,584</u>

# SIGMA SECURITY LIMITED

## NOTES TO THE ACCOUNTS - 30 JUNE 1995 (Continued)

### 9 TAXATION

	<u>1995</u>	<u>1994</u>
	£	£
Corporation tax is based on the results of the year at the UK corporation tax rate of 25%		
Corporation tax for the year	<u>4,475</u>	<u>72</u>

### 10 CALLED UP SHARE CAPITAL

	<u>1995</u>		<u>1994</u>	
	No	£	No	£
Authorised:				
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid:				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

### 11 PROFIT AND LOSS ACCOUNT

	<u>1995</u>
	£
Brought forward at 1 July 1994	160,062
Retained profit for the financial year	<u>12,408</u>
Carried forward at 30 June 1995	<u>172,470</u>

### 12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1995</u>	<u>1994</u>
	£	£
Profit for the year	12,408	10,891
Opening shareholders' funds	<u>160,162</u>	<u>149,271</u>
Closing shareholders' funds	<u>172,570</u>	<u>160,162</u>

### 13 CONTINGENT LIABILITIES

Sigma Security Limited has cross guaranteed the borrowings of The Sigma Group Limited, Kingsclere Consultants Limited and Sigma Projects Limited.

## **SIGMA SECURITY LIMITED**

### **NOTES TO THE ACCOUNTS - 30 JUNE 1995 (Continued)**

#### **14 PARENT UNDERTAKING**

The parent undertaking is The Sigma Group Limited, a company registered in England. Copies of the group accounts can be obtained from the Secretary, The Sigma Group Limited, The Old Brewery, Kingsclere, Newbury, Berkshire, RG20 5SH.

#### **15 CASH FLOW STATEMENT**

The Sigma Group Limited financial statements for the year ended 30 June 1994 contain a consolidated statement of cash flows. The company has taken advantage of the exemption granted by FRS 1 whereby it is not required to publish its own cash flow statement.