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SIGMA SECURITY LIMITED

DIRECTORS' REPORT AND ACCOUNTS

30 JUNE 1994

Registered number: 2090617



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COMPANIES HOUSE 13/03/95

## **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 1994.

#### **ACTIVITIES**

The company's principal activities were that of security specialists and consultants.

#### **BUSINESS REVIEW**

##### **Results**

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

The profit for the year after tax of £10,891 (1993: £63,710), 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 throughout the year and their beneficial interests in the shares of the company were as follows:

	<u>Ordinary £1 shares</u>	
	<u>1994</u>	<u>1993</u>
P F H Bates	-	-
T D W Slater	-	-
J N Vale	25	25
J Dowdell (resigned 13 January 1994)	-	-
M T McGinty (appointed 14 January 1994)	<u>-</u>	<u>-</u>
	<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>1994</u>	<u>1993</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 5 on page 10 to the accounts.

#### **AUDITORS**

Price Waterhouse were appointed auditors during the year following the resignation of Messrs Hysons of 14 London Street, Andover. 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  
Newbury Road  
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.

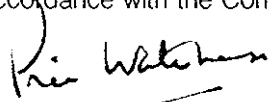
### Basis of opinion

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 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Price Waterhouse  
Chartered Accountants  
and Registered Auditors

14 September 1994

**SIGMA SECURITY LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 1994**

		<u>Continuing Operations</u>	
	<u>Notes</u>	<u>1994</u>	<u>1993</u>
		£	£
<b>TURNOVER</b>	1,2	11,426,748	9,496,356
Cost of sales		<u>(9,784,851)</u>	<u>(7,921,470)</u>
<b>GROSS PROFIT</b>		1,641,897	1,574,886
Administrative expenses		(202,594)	(204,778)
Management charges		<u>(1,428,340)</u>	<u>(1,282,010)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	10,963	88,098
Taxation	9	<u>___(72)</u>	<u>___(24,388)</u>
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>	11,12	<u>10,891</u>	<u>63,710</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 1994

	Notes	<u>1994</u>		<u>1993</u>	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	5		32,518		30,611
<b>CURRENT ASSETS</b>					
Stocks	6	38,102		36,385	
Debtors	7	1,775,854		1,611,060	
Cash at bank and in hand		<u>302,912</u>		<u>-</u>	
		2,116,868		1,647,445	
<b>CREDITORS: Amounts falling due within one year</b>	8	<u>(1,989,224)</u>		<u>(1,528,785)</u>	
<b>NET CURRENT ASSETS</b>			<u>127,644</u>		<u>118,660</u>
<b>NET ASSETS</b>			<u>160,162</u>		<u>149,271</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	10		100		100
Profit and loss account	11		<u>160,062</u>		<u>149,171</u>
	12		<u>160,162</u>		<u>149,271</u>

Signed on behalf of the Board on

14/9/94

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 1994**

#### **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.

# SIGMA SECURITY LIMITED

## NOTES TO THE ACCOUNTS - 30 JUNE 1994 (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

1994

1993

£

£

#### (a) Operating profit is stated after charging/(crediting):

Depreciation	13,100	10,235
Auditor's remuneration	-	-
Staff costs (including directors)		
Wages and salaries	8,250,181	6,558,027
Social security costs	839,013	682,035
Other pension costs	1,312	933
Contract car hire	76,335	87,119
Aggregate emoluments of the directors of the company	23,285	42,404
Profit on disposal of fixed assets	<u>(4,550)</u>	<u>-</u>

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

#### (b) Particulars of staff

No

No

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

Management	4	4
Administration	18	16
Security staff	<u>765</u>	<u>615</u>
	<u>787</u>	<u>635</u>

## **SIGMA SECURITY LIMITED**

### **NOTES TO THE ACCOUNTS - 30 JUNE 1994 (Continued)**

#### **3 OPERATING PROFIT (Continued)**

##### **(c) Directors' emoluments**

Directors' emoluments, excluding pension contributions, were as follows:

The highest paid director received £21,973 (1993: £41,471), the chairman received £Nil (1993: £Nil).

	<u>1994</u>	<u>1993</u>
All directors	Number	Number
£0 - £5,000	4	3
£20,001 - £25,000	1	-
£40,001 - £45,000	-	1

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

#### **4 CONTRACT CAR HIRE OBLIGATIONS**

	<u>1994</u>	<u>1993</u>
Annual commitments which expire:	£	£
Under one year	23,094	20,100
In the second to fifth year	<u>94,490</u>	<u>57,715</u>
	<u>117,584</u>	<u>77,815</u>

# SIGMA SECURITY LIMITED

## NOTES TO THE ACCOUNTS - 30 JUNE 1994 (Continued)

### 5 FIXED ASSETS

Tangible assets	Motor vehicles £
<u>Cost</u>	
At 1 July 1993	56,488
Additions in the year	15,007
Disposals in the year	(22,300)
At 30 June 1994	<u>49,195</u>
<u>Depreciation</u>	
At 1 July 1993	25,877
Charge for the year	13,100
Released on disposals	(22,300)
At 30 June 1994	<u>16,677</u>
<u>Net book amount</u>	
At 30 June 1994	<u>32,518</u>
At 30 June 1993	<u>30,611</u>

### 6 STOCKS

	<u>1994</u>	<u>1993</u>
	£	£
Uniforms	<u>38,102</u>	<u>36,385</u>

# SIGMA SECURITY LIMITED

## NOTES TO THE ACCOUNTS - 30 JUNE 1994 (Continued)

### 7 DEBTORS

	<u>1994</u>	<u>1993</u>
	£	£
Amounts falling due within one year:		
Trade debtors	1,749,609	1,588,321
Other debtors	2,606	12,266
Amounts due from group undertakings	148	199
Amounts due from associated undertakings	-	79
Prepayments and accrued income	<u>23,491</u>	<u>10,195</u>
	<u>1,775,854</u>	<u>1,611,060</u>

### 8 CREDITORS

	<u>1994</u>	<u>1993</u>
	£	£
Amounts falling due within one year:		
Bank loans and overdrafts	-	34,970
Trade creditors	26,813	28,137
Amounts invoiced in advance	221,664	232,176
Corporation tax	72	24,388
Other taxation and social security costs	695,766	596,691
Amount due to group undertakings	642,020	250,596
Accruals, deferred income and other creditors	<u>402,889</u>	<u>361,827</u>
	<u>1,989,224</u>	<u>1,528,785</u>

### 9 TAXATION

	<u>1994</u>	<u>1993</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>72</u>	<u>24,388</u>

The taxation charge for the year has been reduced by capital allowances available. No provision is made for deferred taxation arising on timing differences between the depreciation charges and capital allowances claim, as in the opinion of the directors the amounts are immaterial.

# SIGMA SECURITY LIMITED

## NOTES TO THE ACCOUNTS - 30 JUNE 1994 (Continued)

### 10 CALLED UP SHARE CAPITAL

	<u>1994</u>		<u>1993</u>	
	No	£	No	£
Authorised				
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>100</u>	<u>100</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>1994</u>	<u>1993</u>
	£	£
Brought forward at 1 July	149,171	85,461
Retained profit for the financial year	<u>10,891</u>	<u>63,710</u>
Carried forward at 30 June	<u>160,062</u>	<u>149,171</u>

### 12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1994</u>	<u>1993</u>
	£	£
Profit for the year	10,891	63,710
Opening shareholders' funds	<u>149,271</u>	<u>85,561</u>
Closing shareholders' funds	<u>160,162</u>	<u>149,271</u>

### 13 CONTINGENT LIABILITIES

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

### 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, Newbury Road, Kingsclere, Newbury, Berkshire, RG15 8SH.

### 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.