

Report of the Directors and
Financial Statements for the Year Ended 31 December 2011
for
Interserve Security (Fire & Electronics)
Limited

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Interserve Security (Fire & Electronics)
Limited

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for the Year Ended 31 December 2011

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Interserve Security (Fire & Electronics)
Limited

Company Information
for the Year Ended 31 December 2011

DIRECTORS:

S Weatherson
A Sanders
S Dannan

SECRETARY

S Pound

REGISTERED OFFICE

Capital Tower
91 Waterloo Road
London
SE1 8RT

REGISTERED NUMBER

02251935 (England and Wales)

AUDITORS:

Deloitte LLP
Chartered Accountants and
Statutory Auditor
London
United Kingdom

Interserve Security (Fire & Electronics)
Limited

Report of the Directors
for the Year Ended 31 December 2011

The directors present their report with the financial statements of the company for the year ended 31 December 2011

PRINCIPAL ACTIVITY

The company's principal activity during the year was that of supply, installation and maintenance of security equipment

REVIEW OF BUSINESS

The company's loss after taxation for the financial year amounted to £(400,415) (2010 loss of £(264,852))

As explained in Note 1, the company has ceased trading. As required by FRS18 Accounting Policies, the directors have prepared the financial statements on the basis that the Company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2011 (2010: £nil)

DIRECTORS

The directors who have held office during the period from 1 January 2011 to the date of this report are as follows:

S Ashdown - resigned 25 November 2011
S Weatherson - appointed 24 November 2011
A Sanders - appointed 24 November 2011
B Melizan - resigned 25 November 2011

S Danna was appointed as a director after 31 December 2011 but prior to the date of this report.

COMPANY'S POLICY ON PAYMENT OF CREDITORS

It is the company's normal practice to agree payment terms with its suppliers and abide by those terms. Payment becomes due when it can be confirmed that goods and/or services have been provided in accordance with the relevant contractual conditions. Trade creditors at 31 December 2011, calculated in accordance with the requirements of the Companies Act 2006, were 40 days (2010: 70 days). This represents the ratio, expressed in days between the amounts invoiced to the company in the year by its suppliers and the amounts due, at the end, to trade creditors falling due for payment within one year.

POLITICAL AND CHARITABLE CONTRIBUTIONS

No charitable donations were made in the year (2010: £nil). There were no political donations in either year.

EMPLOYEES

The company gives full consideration to applications for employment made by disabled persons, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event that an employee becomes disabled, every effort is made to ensure their continued employment and to arrange appropriate training. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as practicable, be identical to that of a person who does not suffer from a disability. The company has continued its policy of regularly consulting and communicating with its employees through newsletters, briefing meetings and announcements on notice boards.

PRINCIPAL RISKS AND UNCERTAINTIES INCLUDING FINANCIAL RISK MANAGEMENT

The company's operations expose it to a variety of financial risks that include the effects of credit risk and liquidity risk. The directors actively manage these by monitoring levels of risk and the related costs.

The company has implemented credit control policies including carrying out appropriate credit checks on potential customers before sales are made and reviewing collection periods.

The company utilises group finance and hire purchase arrangements for capital expenditure that are designed to ensure the company has sufficient available funds for its operations and its required level of working capital.

Credit risk

The company operates a credit control policy and clients are generally allowed 30 day terms, subject to reviews. Aged debtors are reviewed regularly and the company policy is to provide for any specific bad debts based on credit reviews and market information.

Liquidity risk

In order to ensure the company has sufficient funds for its ongoing operations and future activities, the company uses a combination of overdrafts and group loans. The financing and liquidity of the company is managed in conjunction with the group treasury function.

The Directors are satisfied that given the nature of this company there are no other significant risks and uncertainties to consider.

Group risks are discussed in the group's annual report which does not form part of these financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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). 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 judgements and accounting 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,

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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he 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.

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Interserve Security (Fire & Electronics)
Limited

Report of the Directors
for the Year Ended 31 December 2011

AUDITORS

The auditors, Deloitte LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD.



S Pound - Secretary

8 August 2012

Report of the Independent Auditors to the Members of
Interserve Security (Fire & Electronics)
Limited

We have audited the financial statements of Interserve Security (Fire and Electronics) Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page three, 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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 December 2011 and of its loss 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.

Emphasis of matter - Financial statements prepared other than on a going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Opinion on other matter prescribed by the Companies Act 2006

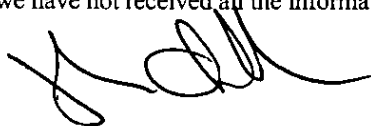
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of
Interserve Security (Fire & Electronics)
Limited

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 require for our audit



John Charlton (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and
Statutory Auditor
London
United Kingdom

Date 9 August 2012

Interserve Security (Fire & Electronics)
Limited

Profit and Loss Account
for the Year Ended 31 December 2011

	Notes	2011 £	2010 £
TURNOVER	2	1,324,369	3,230,935
Cost of sales		(1,157,459)	(2,754,669)
GROSS PROFIT		166,910	476,266
Administrative expenses		(644,369)	(769,925)
OPERATING LOSS	5	(477,459)	(293,659)
Interest payable and similar charges	6	(50,835)	(45,954)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(528,294)	(339,613)
Tax on loss on ordinary activities	7	127,879	74,761
LOSS FOR THE FINANCIAL YEAR		(400,415)	(264,852)

DISCONTINUED OPERATIONS

All of the company's activities were discontinued during the current year

TOTAL RECOGNISED GAINS AND LOSSES

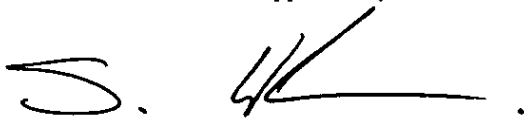
The company has no recognised gains or losses other than the losses for the current year or previous year

Interserve Security (Fire & Electronics)
Limited

Balance Sheet
31 December 2011

	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible assets	8	-	20,454
CURRENT ASSETS			
Stocks	9	-	10,288
Debtors	10	372,653	1,217,364
		<u>372,653</u>	<u>1,227,652</u>
CREDITORS			
Amounts falling due within one year	11	(1,630,313)	(2,105,351)
NET CURRENT LIABILITIES		<u>(1,257,660)</u>	<u>(877,699)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(1,257,660)</u>	<u>(857,245)</u>
CAPITAL AND RESERVES			
Called up share capital	15	5,000	5,000
Profit and loss account	16	(1,262,660)	(862,245)
SHAREHOLDERS' FUNDS	19	<u>(1,257,660)</u>	<u>(857,245)</u>

The financial statements were approved by the Board of Directors on 8 August 2012 and were signed on its behalf by



S Weatherston - Director

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies applied consistently in current and preceding years, are described below.

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Going Concern

The company transferred its trade to Interserve Technical Services Limited on 30th November 2011 and has ceased trading. As required by FRS18 Accounting Policies, the directors have prepared the financial statement on the basis that the Company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

2 TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

3 STAFF COSTS

The payroll costs of these employees were as follows (including directors)

	£	£
Wages and salaries	450,129	846,148
Social and security costs	51,530	93,497
Other pension costs	-	14,800
	<u>501,659</u>	<u>954,445</u>
Directors:		
Emoluments	<u>-</u>	<u>-</u>
Company contributions paid to money purchase pension schemes	<u>-</u>	<u>-</u>

4 DIRECTORS' EMOLUMENTS

In 2011 the remaining statutory directors were remunerated through other companies in the Interserve group

Mr Melizan is a director of the ultimate parent company, Interserve Plc, and his remuneration for services to the group as a whole are disclosed in the accounts of that company

During the year Mr Ashdown, was remunerated for his services to the group by Interservefm Ltd. It is not considered practicable to allocate his remuneration between the companies of which they are directors

5 OPERATING LOSS

The operating loss is stated after charging

	2011	2010
Auditors' remuneration	1,000	2,000
Depreciation of owned fixed assets	20,453	25,594
Payments under operating lease	9,903	2,274
	<u>21,356</u>	<u>27,868</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £	2010 £
Mortgage	-	177
Interest payable	50,835	45,777
	<u>50,835</u>	<u>45,954</u>

7 TAXATION

Analysis of the tax credit

The tax credit on the loss on ordinary activities for the year was as follows

	2011 £	2010 £
Current tax		
UK corporation tax	(120,935)	(68,324)
Deferred tax - current year	(6,944)	(6,437)
Tax on loss on ordinary activities	<u>(127,879)</u>	<u>(74,761)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2011

7 **TAXATION - continued**

Factors affecting the tax credit

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	2011 £	2010 £
Loss on ordinary activities before tax	(528,294)	(339,613)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2010 - 28%)	(147,922)	(95,092)
Effects of Accelerated capital allowances	(9,850)	4,309
permanent differences (non-deductible expenses)	26,950	3,443
Adjustments in respect of prior years	9,887	19,016
Current tax credit	(120,935)	(68,324)

8 **TANGIBLE FIXED ASSETS**

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2011	8,620	22,172	36,839	67,631
Disposals	(8,620)	(22,172)	(36,839)	(67,631)
At 31 December 2011	-	-	-	-
DEPRECIATION				
At 1 January 2011	8,620	19,622	18,935	47,177
Charge for year	-	2,550	17,904	20,454
Reclassification/transfer	(8,620)	(22,172)	(36,839)	(67,631)
At 31 December 2011	-	-	-	-
NET BOOK VALUE				
At 31 December 2011	-	-	-	-
At 31 December 2010	-	2,550	17,904	20,454

9 **STOCKS**

	2011 £	2010 £
Stocks	-	10,288

Notes to the Financial Statements - continued
for the Year Ended 31 December 2011

10 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Trade debtors	21,556	33,367
Intra group trade balances	249,649	1,131,676
Corporation tax	71,819	20,896
VAT	13,411	-
Deferred tax asset	16,218	9,274
Prepayments and accrued income	-	22,151
	<u>372,653</u>	<u>1,217,364</u>

11 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Bank loans and overdrafts (see note 12)	892,152	1,071,400
Trade creditors	76,746	135,932
Amounts owed to group undertakings	429,813	406,238
Social security and other taxes	944	945
Accruals and deferred income	230,658	490,836
	<u>1,630,313</u>	<u>2,105,351</u>

12 LOANS

An analysis of the maturity of loans is given below

	2011	2010
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	<u>892,152</u>	<u>1,071,400</u>

13 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

		Land and buildings
	2011	2010
	£	£
Expiring		
Within one year	<u>-</u>	<u>1,516</u>

14 DEFERRED TAX

	£
Balance at 1 January 2011	(9,274)
Temporary timing differences	<u>(6,944)</u>
Balance at 31 December 2011	<u>(16,218)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2011

15 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value	2011 £	2010 £
5,000	Ordinary Shares	£1	<u>5,000</u>	<u>5,000</u>

16 RESERVES

	Profit and loss account £
At 1 January 2011	(862,245)
Deficit for the year	<u>(400,415)</u>
At 31 December 2011	<u>(1,262,660)</u>

17 ULTIMATE PARENT COMPANY

The immediate parent company is R & D Holdings Limited, a company registered in Great Britain and its ultimate parent undertaking and controlling party, and the undertaking of the smallest and largest group for which group financial statements are prepared, is Interserve plc, a company incorporated in Great Britain and registered in England and Wales

The consolidated financial statements of Interserve plc are available to the public and may be obtained from Capital Tower, 91 Waterloo Road, London SE1 8RT. No other group financial statements include the results of the Company

18 RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption under Financial Reporting Standard 8 and not disclosed transactions with group undertakings

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Loss for the financial year	<u>(400,415)</u>	<u>(264,852)</u>
Net reduction of shareholders' funds	(400,415)	(264,852)
Opening shareholders' funds	<u>(857,245)</u>	<u>(592,393)</u>
Closing shareholders' funds	<u><u>(1,257,660)</u></u>	<u><u>(857,245)</u></u>