
TEMPLE SECURITY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

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TEMPLE SECURITY LIMITED

COMPANY INFORMATION

DIRECTORS

N J Earley
R W Empson

SECRETARY

N J Earley

COMPANY NUMBER

3073516

REGISTERED OFFICE

82 Hampton Road
Hanworth
Middlesex
TW13 6DZ

AUDITORS

Barnes Roffe LLP
Chartered Accountants & Registered Auditors
3 Brook Business Centre
Cowley Mill Road
Uxbridge, Middlesex
UB8 2FX

TEMPLE SECURITY LIMITED

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TEMPLE SECURITY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

The directors present their report and the financial statements for the year ended 31 December 2006

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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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,
- 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 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.

So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

PRINCIPAL ACTIVITIES

The principal activity of the company continues to be that of the provision of security services.

BUSINESS REVIEW

The profit and loss account is set out on page 6 and shows the profit for the year, after taxation, amounted to £271,421 (2005 Loss £15,730).

The directors are pleased to report a year of controlled and profitable growth. Turnover has increased 18% to £18,061,000 through its sales to Temple Security Contractors Limited. Pre tax profits have increased by 153% to £383,000.

During the course of 2006, Temple Security Limited achieved success in a significant operational project in the licensing of officers and subsequent gaining Security Industry Authority (SIA) Approved Contractor status. The Private Security Act 2001 required all security companies to re-train and license all staff engaged in carrying out security guarding services by 20 March 2006. Temple Security Limited achieved the deadline set by the SIA and was admitted to its Approved Contractor Scheme (ACS) on 18 March, one of the first ten companies nationwide to achieve this. The principal benefit of the ACS is that members are permitted to deploy officers who have applied for a license, but whose license has not yet been issued. This was an operational necessity during the first six months of the scheme, when there was a nationwide shortage of licensed officers.

TEMPLE SECURITY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

The regulation of the industry caused the market to be extremely volatile during 2006, but by achieving ACS status, enabled us to take advantage and was a contributing factor in our 2006 success

We are continuing to grow organically through further sales to Temple Security Contractors Limited. That company is being awarded contracts across its range of services by both existing and new clients. The ability to provide a broader range of services has already led to stronger relationships with our client and enables Temple Security Contractors Limited to offer a value added service where they can outsource the full range of their security requirements.

We have started 2007 in a strong position to take advantage of our accreditation as an ACS member, and our continued development as a total security solution provider. The combination of these factors, together with our ability to continue to acquire, leads us to believe that 2007 will be another successful year of controlled growth.

FINANCIAL RISK MANAGEMENT

The main risks arising are interest rate risk, credit risk and liquidity risk. The directors have reviewed and agreed policies for managing each of these risks.

Liquidity Risk

The company seeks to manage liquidity risk by ensuring that sufficient funding is available to meet future requirements. This is done using forecasting methods.

Credit Risk

The Company's principal financial assets comprise amounts due from its related parties and there is therefore a credit risk from the companies. This is managed by having an experienced finance team who constantly monitor the position and seek to minimise issues which may arise from poor credit management in its principal related party, Temple Security Contractors Limited. Credit limits and the updated debtor position in the company, are reviewed regularly by the Finance Director.

RESULTS

The profit for the year, after taxation, amounted to £271,421 (2005 - Loss £15,730)

DIRECTORS

The directors who served during the year were

N J Earley
R W Empson

ADDITIONAL INFORMATION RE DIRECTORS

Neither director who held office at the end of the financial year had any disclosable interest in the shares of the company. The interest of the directors in the parent company, Atlas Cleaning Limited, are disclosed in the directors' report of that company.

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company made charitable donations of £471 to the Scouts Association.

TEMPLE SECURITY LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2006**

EMPLOYEE INVOLVEMENT

The company recognises the importance of good communications with its employees and considers that most effective form of communication regarding its activities, performance and plans is by way of informal discussions between management and other employees at a local level

DISABLED EMPLOYEES

It is the company's policy to give disabled people full and fair consideration for all job vacancies for which they offer themselves as suitable candidates, having regard to their particular aptitudes and abilities. Training and career development opportunities are available to all employees and the company endeavours to retrain any member of staff who develops a disability while in the employment of the company

AUDITORS

The auditors, Barnes Roffe LLP, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985

This report was approved by the board on 22-11-07

and signed on its behalf



N J Earley
Director

TEMPLE SECURITY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TEMPLE SECURITY LIMITED

We have audited the financial statements of Temple Security Limited for the year ended 31 December 2006 set out on pages 6 to 16. These financial statements have been prepared in accordance with 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 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).

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 whether in our opinion the information given in 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 Annual 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.

TEMPLE SECURITY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TEMPLE SECURITY LIMITED

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 2006 and of its profit for the year then ended,
- 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

Chartered Accountants
Registered Auditors

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

Date 22/11/07

TEMPLE SECURITY LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2006**

| | Note | 2006 £ | As restated 2005 £ |
|--|------|-----------------------|--------------------------|
| TURNOVER | 1,2 | 18,060,676 | 15,328,738 |
| Cost of sales | | <u>(14,994,420)</u> | <u>(12,300,705)</u> |
| GROSS PROFIT | | 3,066,256 | 3,028,033 |
| Administrative expenses | | <u>(2,674,835)</u> | <u>(2,509,823)</u> |
| OPERATING PROFIT | 3 | 391,421 | 518,210 |
| Amounts written off investments | | - | (365,000) |
| Interest payable | 6 | <u>(8,000)</u> | <u>(1,795)</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 383,421 | 151,415 |
| Tax on profit on ordinary activities | 7 | <u>(112,000)</u> | <u>(167,145)</u> |
| PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION | 14 | <u><u>271,421</u></u> | <u><u>(15,730)</u></u> |

All amounts relate to continuing operations

There were no recognised gains and losses for 2006 or 2005 other than those included in the profit and loss account

The statutory profit and loss account for 2005 has been restated to reflect re-classification of a provision in the sum of £365,000 against the cost of the investment in the subsidiary which was originally included in administration expenses

The notes on pages 8 to 16 form part of these financial statements


TEMPLE SECURITY LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2006**

| | Note | 2006 £ | 2005 £ |
|--|------|--------------------|--------------------|
| FIXED ASSETS | | | |
| Intangible fixed assets | 8 | 160,417 | 7,500 |
| Tangible fixed assets | 9 | 54,621 | 11,619 |
| Fixed asset investments | 10 | 330,000 | 330,000 |
| | | <u>545,038</u> | <u>349,119</u> |
| CURRENT ASSETS | | | |
| Debtors | 11 | 2,380,428 | 2,448,299 |
| Cash at bank | | 147 | 146 |
| | | <u>2,380,575</u> | <u>2,448,445</u> |
| CREDITORS amounts falling due within one year | 12 | <u>(2,269,441)</u> | <u>(2,412,813)</u> |
| NET CURRENT ASSETS | | <u>111,134</u> | <u>35,632</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>656,172</u> | <u>384,751</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 13 | 100,000 | 100,000 |
| Profit and loss account | 14 | 556,172 | 284,751 |
| SHAREHOLDERS' FUNDS | 15 | <u>656,172</u> | <u>384,751</u> |

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

22.11.07



N J Earley
Director

The notes on pages 8 to 16 form part of these financial statements

TEMPLE SECURITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

The Company is itself a subsidiary Company and is exempt from the requirement to prepare group accounts by virtue of section 228 of the Companies Act 1985. These financial statements therefore present information about the Company as an individual undertaking and not about its group

1.2 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS1

1.3 Turnover

Turnover comprises revenue recognised by the Company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts. Turnover also includes amounts recharged to group undertakings and related parties

1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life of 3 years

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

| | | | |
|---------------------|---|-----|---------------|
| Plant & Machinery | - | 25% | straight line |
| Motor Vehicles | - | 25% | straight line |
| Fixtures & Fittings | - | 25% | straight line |
| Office Equipment | - | 25% | straight line |

1.6 Investments

Investments in subsidiaries are valued at cost less provision for impairment

1.7 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

TEMPLE SECURITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

1 ACCOUNTING POLICIES (continued)

1.8 Foreign currencies

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

1.9 Related party transactions

As the company is a wholly owned subsidiary of Atlas Cleaning Limited, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and therefore not disclosed transactions or balances with the entities which form part of the group. The consolidated financial statements of Atlas Cleaning Limited, within which the company is included, can be obtained from the address given in note 19.

2 TURNOVER

The whole of the turnover is attributable to the provision of security services and also amounts recharged to group companies and related parties.

All turnover arose within the United Kingdom.

3 OPERATING PROFIT

The operating profit is stated after charging

| | 2006 £ | 2005 £ |
|--|-----------|-----------|
| Amortisation - intangible fixed assets | 22,083 | 176,707 |
| Depreciation of tangible fixed assets | | |
| - owned by the company | 24,613 | 18,157 |
| Operating lease rentals | | |
| - plant and machinery | 18,722 | 6,302 |
| - other operating leases | 324,810 | 314,929 |

During the year, no director received any emoluments (2005 - £NIL)

TEMPLE SECURITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

4. AUDITORS' REMUNERATION

| | 2006 £ | 2005 £ |
|--|--------------|--------------|
| Fees payable to the company's auditor for the audit of the company's annual accounts | 6,000 | 6,500 |
| Fees payable to the company's auditor and its associates in respect of | | |
| All other services | 7,177 | 5,055 |
| | <u>7,177</u> | <u>5,055</u> |

5 STAFF COSTS

Staff costs were as follows

| | 2006 £ | 2005 £ |
|-----------------------|-------------------|-------------------|
| Wages and salaries | 13,141,977 | 10,967,395 |
| Social security costs | 1,161,025 | 953,687 |
| | <u>14,303,002</u> | <u>11,921,082</u> |

The average monthly number of employees, including the directors, during the year was as follows

| | 2006 No. | 2005 No |
|-----------------|-------------|------------|
| Security guards | 865 | 817 |
| Administration | 4 | 4 |
| | <u>869</u> | <u>821</u> |

6 INTEREST PAYABLE

| | 2006 £ | 2005 £ |
|------------------------|--------------|--------------|
| Other interest payable | 8,000 | 1,795 |
| | <u>8,000</u> | <u>1,795</u> |

TEMPLE SECURITY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

7 TAXATION

| | 2006 £ | 2005 £ |
|---|-----------------------|-----------------------|
| Analysis of tax charge in the year | | |
| UK corporation tax charge on profits for the year | 112,000 | 163,000 |
| Adjustments in respect of prior periods | - | 4,145 |
| Total current tax | <u>112,000</u> | <u>167,145</u> |
| Tax on profit on ordinary activities | <u><u>112,000</u></u> | <u><u>167,145</u></u> |

Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below

| | 2006 £ | 2005 £ |
|--|-----------------------|-----------------------|
| Profit on ordinary activities before tax | <u>383,421</u> | <u>151,415</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005 - 30%) | 115,026 | 45,424 |
| Effects of | | |
| Expenses not deductible for tax purposes | 355 | 118,367 |
| Capital allowances for year in excess of depreciation | (3,331) | (1,664) |
| Adjustments to provisional tax charge for current period | (50) | 873 |
| Adjustments to tax charge in respect of prior periods | - | 4,145 |
| Current tax charge for the year (see note above) | <u><u>112,000</u></u> | <u><u>167,145</u></u> |

Factors that may affect future tax charges

There were no factors that may affect future tax charges

TEMPLE SECURITY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

8. INTANGIBLE FIXED ASSETS

| | Goodwill £ |
|-----------------------|----------------|
| Cost | |
| At 1 January 2006 | 770,500 |
| Additions | 175,000 |
| | <u>945,500</u> |
| At 31 December 2006 | |
| Amortisation | |
| At 1 January 2006 | 763,000 |
| Charge for the year | 22,083 |
| | <u>785,083</u> |
| At 31 December 2006 | |
| Net book value | |
| At 31 December 2006 | <u>160,417</u> |
| At 31 December 2005 | <u>7,500</u> |

9. TANGIBLE FIXED ASSETS

| | Plant and machinery £ | Motor vehicles £ | Furniture, fittings and equipment £ | Total £ |
|-----------------------|-----------------------------|------------------------|--|----------------|
| Cost | | | | |
| At 1 January 2006 | 57,231 | 36,593 | 151,507 | 245,331 |
| Additions | 9,898 | - | 57,717 | 67,615 |
| | <u>67,129</u> | <u>36,593</u> | <u>209,224</u> | <u>312,946</u> |
| At 31 December 2006 | | | | |
| Depreciation | | | | |
| At 1 January 2006 | 57,231 | 26,721 | 149,760 | 233,712 |
| Charge for the year | 2,474 | 9,149 | 12,990 | 24,613 |
| | <u>59,705</u> | <u>35,870</u> | <u>162,750</u> | <u>258,325</u> |
| At 31 December 2006 | | | | |
| Net book value | | | | |
| At 31 December 2006 | <u>7,424</u> | <u>723</u> | <u>46,474</u> | <u>54,621</u> |
| At 31 December 2005 | <u>-</u> | <u>9,872</u> | <u>1,747</u> | <u>11,619</u> |

TEMPLE SECURITY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

10 FIXED ASSET INVESTMENTS

| | Shares in group under- takings £ | Total £ |
|--|--|------------|
| Cost | | |
| At 1 January 2006 and 31 December 2006 | 695,000 | 695,000 |
| Provisions | | |
| At 1 January 2006 and 31 December 2006 | 365,000 | 365,000 |
| Net book value | | |
| At 31 December 2006 | 330,000 | 330,000 |
| At 31 December 2005 | 330,000 | 330,000 |

Subsidiary undertaking

The following was a subsidiary undertaking of the company

Lockhart Security Services Limited - registered in England
and Wales

Ordinary shares - 100%

The aggregate of the share capital and reserves as at 31 December 2006 and of the profit or loss for the year ended on that date for the subsidiary undertaking was as follows

| | Aggregate of share capital and reserves £ | Profit/(loss) £ |
|------------------------------------|--|--------------------|
| Lockhart Security Services Limited | 333,054 | - |

11. DEBTORS

| | 2006 £ | 2005 £ |
|--------------------------------------|-----------|-----------|
| Trade debtors | 19,102 | 19,102 |
| Amounts owed by group undertakings | 1,179,485 | 1,038,263 |
| Amounts owed by related undertakings | 1,123,511 | 1,273,319 |
| Other debtors | 6,855 | 4,600 |
| Prepayments and accrued income | 51,475 | 113,015 |
| | 2,380,428 | 2,448,299 |

TEMPLE SECURITY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

12. CREDITORS:

Amounts falling due within one year

| | 2006 £ | 2005 £ |
|------------------------------------|------------------|------------------|
| Bank loans and overdrafts | 148,077 | 174,174 |
| Trade creditors | 170,918 | 146,671 |
| Amounts owed to group undertakings | 9,095 | 413,996 |
| Corporation tax | 283,000 | 202,025 |
| Social security and other taxes | 747,048 | 751,168 |
| Other creditors | 103,784 | 83,782 |
| Accruals and deferred income | 807,519 | 640,997 |
| | <u>2,269,441</u> | <u>2,412,813</u> |

The company's bank overdraft facility is secured

13. SHARE CAPITAL

| | 2006 £ | 2005 £ |
|---|------------------|------------------|
| Authorised | | |
| 500,000 'A' Ordinary shares of £1 each | 500,000 | 500,000 |
| 500,000 'B' Ordinary shares of £1 each | 500,000 | 500,000 |
| | <u>1,000,000</u> | <u>1,000,000</u> |
| Allotted, called up and fully paid | | |
| 100,000 'A' Ordinary shares of £1 each | <u>100,000</u> | <u>100,000</u> |

14. RESERVES

| | Profit and loss account £ |
|------------------------------|---------------------------------|
| At 1 January 2006 | 284,751 |
| Profit retained for the year | 271,421 |
| | <u>556,172</u> |
| At 31 December 2006 | <u>556,172</u> |

TEMPLE SECURITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

15 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

| | 2006 £ | 2005 £ |
|-----------------------------|----------------|----------------|
| Opening shareholders' funds | 384,751 | 400,481 |
| Profit/(loss) for the year | 271,421 | (15,730) |
| Closing shareholders' funds | <u>656,172</u> | <u>384,751</u> |

16 CONTINGENT LIABILITIES

The bank loans and overdrafts are secured by

- 1) A Mortgage debenture over the company
- 2) Directors' guarantees to the value of £400,000

There is a composite cross guarantee in place covering Atlas Cleaning Limited, Atlas Contractors Limited, Temple Security Contractors Limited and CLM Limited. At the year end the respective bank loans and overdrafts were as follows

| | 2006 £ | 2005 £ |
|-------------------------------------|------------------|------------------|
| Atlas Cleaning Limited | 1,346,855 | 1,518,255 |
| CLM Limited | 307,539 | 497,763 |
| Temple Security Limited | 148,077 | 174,174 |
| Temple Security Contractors Limited | 2,082,067 | 1,353,933 |
| Total | <u>3,884,538</u> | <u>3,544,125</u> |

17. OPERATING LEASE COMMITMENTS

At 31 December 2006 the company had annual commitments under non-cancellable operating leases as follows

| | Land and buildings | |
|-------------------------|--------------------|----------------|
| | 2006 £ | 2005 £ |
| Expiry date: | | |
| After more than 5 years | <u>288,455</u> | <u>288,455</u> |

TEMPLE SECURITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

18. RELATED PARTY TRANSACTIONS

The company is ultimately controlled by N J Earley and R W Empson. During the year, the company made rental payments of £324,810 (2005 - £305,385) for the rent of properties owned by the directors.

The company also had the following transactions with Temple Security Contractors Limited, a company under the direct control of N J Earley and R W Empson.

| | 2006 £ | 2005 £ |
|---------------------------|-------------------|-------------------|
| Sale of security services | 17,591,732 | 14,819,128 |
| Recharge of overheads | 305,541 | 291,758 |
| Labour recharge | 82,603 | 209,352 |
| | <u>17,979,876</u> | <u>15,320,238</u> |

The amount due from Temple Security Contractors Limited at the year end was £1,121,512 (2005 - £1,126,264).

N J Earley and R W Empson are directors and shareholders of Atlas Contractors Limited and CLM Limited. During the year, CLM Limited provided management services and recharged supplier costs amounting to £177,359 and £122,641 (2005 - £nil). At the year end, the company was owed £nil (2005 - £93,175) and £nil (2005 - £42,671) respectively by both companies.

N J Earley and R W Empson are also directors and shareholders of CLM Engineering Services Limited. During the year, the company made purchases of £100,000 from CLM Engineering Services Limited. At the year end, the company owed £nil to CLM Engineering Services Limited.

19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is a wholly owned subsidiary of Atlas Cleaning Limited, which is controlled by N J Earley and E W Empson. The consolidated accounts of the group are available to the public and may be obtained from:

Register of Companies
Crown Way
Cardiff
CF4 3UZ