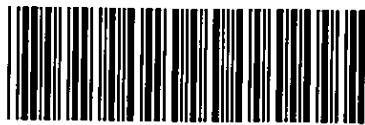


# **Temple Security Limited**

## **Report and Financial Statements for the year ended**

**31 March 2012**

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COMPANIES HOUSE

# Temple Security Limited

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Registered No 3073516

## **Directors**

J Levine  
M Saunders  
C Wisely

## **Secretary**

M Saunders

## **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
First Point  
Buckingham Gate  
Gatwick  
West Sussex, RH6 0NT

## **Bankers**

Clydesdale Bank  
33 Grace Church Street  
London EC3V 0BT

## **Registered office**

4 Crayside  
Five Arches Business Park  
Maidstone Road  
Sidcup  
Kent  
DA14 5AG

## Directors' report

The directors present their report and the audited financial statements for the year ended 31 March 2012

### Results and dividends

The results for the year after taxation amounted to £nil (year ended 31 March 2011 – loss of £210,000) The directors recommended a final dividend of £nil for the year (year ended 31 March 2011 £nil)

### Principal activities

The principal activity of the company was the provision of security services, however contracts in the year have been transferred to a fellow group company

### Review of the business and future developments

In the year ended 31 March 2012, the company delivered an operating result of £nil (year ended 31 March 2011 loss £210,000)

The company continues to employ security staff which are deployed in fellow group companies' contracts All staff and staff related costs are recharged to those group companies All administration costs for the company are borne by a fellow group company and not recharged to Temple Security Limited

### Principal risks and uncertainties

#### Economic risk

The economic downturn has a greater impact on certain market sectors, affecting some of our clients more than others, our major costs are variable and we are able to respond and adapt to meet our clients' needs

#### Financial risk management objective and policies

The company's activities expose it to a limited number of financial risks The company aims to manage these risks on a day to day basis

#### Liquidity risk

Regular cash flow forecasts are prepared to monitor and forecast working capital, an invoice discounting facility is in place with the bank and funds are transferred between group companies to assist in managing liquidity risk

#### Interest rate risk

The company does not have any material interest rate risk

#### Credit risk

All customers who wish to trade on credit terms are subject to credit verifications procedures Trade debtors and retentions are reviewed on a regular basis and provision is made for doubtful debts where necessary

### Going concern

The parent undertaking has indicated its willingness to continue to provide financial support to the company for the foreseeable future The directors, having considered this and the financial position of the company, have no reason to believe that a material uncertainty exists that may cast doubt about the ability of the company to continue as a going concern Accordingly the directors have a reasonable expectation that the company will continue in operational existence and thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

### Health and safety

Health and safety is a major area of concern for our employees, clients and members of the public We have a dedicated health and safety department which reviews and monitors this area

## Directors' report (continued)

### 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.

### Employee involvement

The company recognises the importance of good communications with its employees and considers that the 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.

### Directors and company secretary

The directors who served the company during the year were as follows:

J Levine

M Saunders (appointed 6 February 2012)

C Wisely

On 29 June 2012, C Wisely resigned as company secretary, and M Saunders was appointed as company secretary.

### Directors' liabilities

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Board



M Saunders  
Director

Date

9/7/12

Registered number: 3073516

## Statement of director's responsibilities

The directors are responsible for preparing the directors' 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 prepared 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 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 are responsible for keeping proper 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.

## Independent auditors' report

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to the members of Temple Security Limited

We have audited the financial statements of Temple Security Limited for the year ended 31 March 2012 which comprise the profit and loss account, the balance sheet, the cash flow statement, and the related notes. 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).

### Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

### 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 Directors Report 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 March 2012 and of its result and cash flows 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 Companies Act 2006.

### Opinion on other matter prescribed by the Companies Act 2006

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

## Independent auditors' report

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to the members of Temple Security Limited (continued)

### 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, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report



Matthew Hall (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Gatwick

Date 11 July 2012

## Profit and loss account

for the year ended 31 March 2012

		Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
	Notes		
Turnover	2	-	9,879
Cost of sales		-	(7,671)
<b>Gross profit</b>		-	2,208
Other operating income		28,328	-
Administrative expenses		(28,328)	(2,418)
<b>Operating loss</b>	3	-	(210)
<b>Loss on ordinary activities before taxation</b>		-	(210)
Tax on loss on ordinary activities	6	-	-
<b>Loss for the financial year</b>	12	-	(210)

All amounts relate to continuing operations

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents

There were no gains or losses other than the loss for the financial year and therefore no statement of total recognised gains and losses has been presented



## Balance sheet

At 31 March 2012

	Notes	31 March 2012 £'000	31 March 2011 £'000
<b>Fixed assets</b>			
Intangible fixed assets	7	—	—
Tangible fixed assets	8	26	78
		<u>26</u>	<u>78</u>
<b>Current assets</b>			
Debtors	9	2,409	2,677
Cash at bank and in hand		5	6
		<u>2,414</u>	<u>2,683</u>
<b>Creditors amounts falling due within one year</b>	10	(2,643)	(2,964)
<b>Net current liabilities</b>		<u>(229)</u>	<u>(281)</u>
<b>Total assets less current liabilities</b>		<u>(203)</u>	<u>(203)</u>
<b>Capital and reserves</b>			
Called up share capital	11	100	100
Profit and loss account	12	(303)	(303)
<b>Total shareholders' deficit</b>	13	<u>(203)</u>	<u>(203)</u>

The financial statements on pages 7 to 18 were approved by the Board of Directors and signed on their behalf by



M Saunders  
Director

Date 9/7/12

Registered number: 3073516

## Cash flow statement

for the year ended 31 March 2012

	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
<b>Net cash outflow from operating activities</b>	(16)	(20)
<b>Returns on investments and servicing of finance</b>	-	-
<b>Taxation paid</b>	-	-
<b>Capital expenditure and financial investment</b>		
Receipts from sale of fixed assets	15	-
Payments to acquire tangible fixed assets	-	(13)
<b>Net cash inflow/(outflow) for capital expenditure and financial investment</b>	15	(13)
<b>Cash flow before financing</b>	(1)	(33)
<b>Financing</b>	-	-
<b>Net cash outflow from financing</b>	-	-
<b>Decrease in cash in the year</b>	(1)	(33)

## Cash flow statement (continued)

for year ended 31 March 2012

### Reconciliation of operating loss to net cash outflow from operating activities

	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Operating loss	-	(210)
Depreciation	43	53
Profit on disposal of fixed assets	(4)	-
Decrease in debtors	268	615
Decrease in creditors	(323)	(478)
Net cash outflow from operating activities	(16)	(20)

### Reconciliation of net cash flow to movement in net cash

	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Decrease in cash in the year	(1)	(33)
Net cash at beginning of the year	6	39
Net cash at end of the year	5	6

### Analysis of changes in net cash

	2011 £'000	Cash flows £'000	Non-cash £'000	2012 £'000
Cash	6	(1)	-	5
Debt repayable within one year	-	-	-	-
Debt due after one year	-	-	-	-
Net cash	6	(1)	-	5

## Notes to the financial statement

At 31 March 2012

### 1. Accounting policies

#### Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

#### Going concern

The parent undertaking has indicated its willingness to continue to provide financial support to the company for the foreseeable future. The directors, having considered this and the financial position of the company, have no reason to believe that a material uncertainty exists that may cast doubt about the ability of the company to continue as a going concern. Accordingly the directors have a reasonable expectation that the company will continue in operational existence and thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

#### Turnover

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and VAT

#### Other operating income

Other operating income relates to the staff costs recharged to fellow group companies

#### Tangible fixed assets

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 basis

Motor vehicles	–	25% straight line
Furniture, fittings and equipment	–	25% straight line
Leasehold property	–	over the life of the lease

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

#### Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

## Notes to the financial statement

At 31 March 2012

### 1 Accounting policies (continued)

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

#### 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.

### 2. Turnover

The whole of the turnover is attributable to the provision of security services and wholly from amounts recharged to group companies.

All turnover arose within the United Kingdom.

### 3 Operating loss

This is stated after charging

	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Depreciation of owned tangible fixed assets	43	53
Auditors' remuneration – audit services	-	14
– non-audit services	-	2
Operating lease rentals		
– plant and machinery	4	4
– land and buildings	19	168

Auditors' remuneration costs have been borne by a fellow group company and not recharged to Temple Security Limited.

## Notes to the financial statement

At 31 March 2012

### 4. Directors' remuneration

The following directors' remuneration in respect of qualifying services provided to the company was paid during the year

	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Remuneration and other emoluments	20	126
Contributions to pension schemes	1	3
	<u>21</u>	<u>129</u>

All of the above directors' remuneration of £20,000 (2011 £30,000) has been paid by a fellow group company for qualifying services performed for this company during the year

No directors were accruing retirement benefits under money purchase pension schemes (2011 – nil)

### 5. Staff costs

	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Wages and salaries	25,713	8,519
Social security costs	2,548	787
	<u>28,261</u>	<u>9,306</u>

All staff employed by the company are deployed to fulfil customer contracts in fellow group companies, and the staff costs are recharged to those fellow group companies

The average monthly number of employees during the year was made up as follows

	No	No
Security guards	1,216	1,107
Administration	-	46
	<u>1,216</u>	<u>1,153</u>

## Notes to the financial statement

At 31 March 2012

### 6. Tax on loss on loss on ordinary activities

#### (a) Tax on loss on ordinary activities

The tax credit is made up as follows

	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Current tax		
UK corporation tax charge on the result for the year	—	—
Deferred tax		
Originating and reversal of timing differences	—	—
Tax on loss on ordinary activities (note 6(b))	—	—

#### (b) Factors affecting tax charge for the year

The tax assessed on the loss on ordinary activities for the year is different from the standard rate of corporation tax in the UK of 26% (year ended 31 March 2011 – 28%) The differences are explained below

	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Loss on ordinary activities before tax	—	(210)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 – 28%)	—	(59)
Effects of		
Expenses not deductible for tax purposes	(11)	2
Capital allowances for period in excess of depreciation	1	15
Other short term timing differences	(2)	—
Unrelieved tax losses	12	42
Tax on loss on ordinary activities (note 6(a))	—	—

## Notes to the financial statement

At 31 March 2012

### 6. Tax (continued)

#### (c) Deferred tax

Deferred tax is not provided in the financial statements. The amounts unprovided are as follows

	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Decelerated capital allowances	(18)	(18)
Tax losses	(46)	(40)
At 31 March	<u>(64)</u>	<u>(58)</u>

The deferred tax asset has not been recognised due to uncertainty over suitable future profits being available for offset.

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and a further reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012.

This will reduce the company's future current tax charge accordingly. The unrecognised deferred tax asset at 31 March 2012 has been calculated based on the rate of 24% substantively enacted at the balance sheet date.

It has not yet been possible to quantify the full anticipated effect of the announced further 2% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax asset accordingly.

### 7. Intangible fixed assets

	Goodwill £'000
Cost	
At 31 March 2012 and 1 April 2011	<u>1,030</u>
Accumulated amortisation	
At 31 March 2012 and 1 April 2011	<u>1,030</u>
Net book value	
At 31 March 2012 and 31 March 2011	<u>-</u>



## Notes to the financial statement

At 31 March 2012

### 8. Tangible fixed assets

	Leasehold property £'000	Motor vehicles £'000	Furniture, fittings and equipment £'000	Total £'000
Cost				
At 1 April 2011	88	106	329	523
Disposals	-	(27)	-	(27)
At 31 March 2012	88	79	329	496
Accumulated depreciation				
At 1 April 2011	88	72	285	445
Charge for the year	-	16	27	43
Disposals	-	(18)	-	(18)
At 31 March 2012	88	70	312	470
Net book value				
At 31 March 2012	-	9	17	26
At 31 March 2011	-	34	44	78

### 9 Debtors

	31 March 2012 £'000	31 March 2011 £'000
Trade debtors	13	19
Amounts owed by group undertakings	2,371	2,527
Other debtors	25	83
Prepayments and accrued income	-	48
	2,409	2,677

### 10. Creditors: amounts falling due within one year

	31 March 2012 £'000	31 March 2011 £'000
Trade creditors	23	203
Amounts owed to related undertakings	2,185	1,880
Social security and other taxes	396	509
Other creditors	35	3
Accruals and deferred income	4	369
	2,643	2,964

Amounts due to/from group undertakings are unsecured, interest free and repayable on demand

## Notes to the financial statement

At 31 March 2012

### 11. Share capital

	31 March 2012 No	31 March 2012 £'000	31 March 2011 No	31 March 2011 £'000
Allotted, called up and fully paid				
'A' ordinary shares of £1 each	100,000	100	100,000	100

### 12. Reserves

	Profit and loss account £'000
At 1 April 2011 and 31 March 2012	(303)

### 13. Reconciliation of movement in shareholders' deficit

	31 March 2012 £'000	31 March 2011 £'000
Opening shareholders' (deficit)/assets	(203)	7
Retained result for the year	-	(210)
Closing shareholders' deficit	(203)	(203)

### 14. Operating lease commitments

Annual commitments relating to future operating lease payments expire as follows

	Land and buildings		Other	
	31 March 2012 £000	31 March 2011 £000	31 March 2012 £000	31 March 2011 £000
Leases expiring within				
One year	12	36	-	4
Between two and five years	-	52	-	-
Total commitment	12	88	-	4

## Notes to the financial statement

At 31 March 2012

### 15. Pension commitments

The company operates a stakeholder pension scheme in respect of its employees. The scheme and its assets are held by independent managers. The pension charge borne by a fellow group company includes contributions due from the company at the year-end amounting to £1,800 (year ended 31 March 2011 – £nil).

### 16. Contingent liabilities

The company has entered into cross guarantees with its ultimate parent undertaking, immediate parent undertaking and fellow subsidiaries with respect of obligations relating to bank borrowings and investor loan notes.

### 17. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard No. 8 'Related Party Disclosures' and has not disclosed transactions with its wholly owned fellow undertakings in the Axis Acquisitions Limited group.

However, the company is not wholly owned by the group headed by LPM Group and in the normal course of business, the company undertook transactions with entities in this group. These transactions primarily relate to the recharging of expenses. Details of these transactions and balances outstanding at the balance sheet date are set out below.

	31 March 2012 £'000	31 March 2011 £'000
Related party transactions with subsidiaries within the LPM Group – recharging of expenses	28,328	9,879
Related party transactions with subsidiaries within the LPM Group – balance due/(payable) at balance sheet date	631	(47)

### 18. Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary of Axis Acquisitions Limited which is incorporated in England. At 31 March 2012, the directors did not consider there to be any ultimate controlling party. Funds managed by Sovereign Capital Limited Partnership II LLP, a company incorporated in the United Kingdom, have an effective interest of 88.38% in the equity share capital of LPM Group Limited.

The largest and smallest group of undertakings for which group financial statements have been drawn up and which include the results of the company is LPM Group Limited. Copies of the financial statements are available from Companies House.