

Temple Security Limited

Report and Financial Statements for the year ended

31 March 2014



Temple Security Limited

Registered No: 3073516

Directors

J Levine
M Saunders
C Wisely

Secretary

M Saunders

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
The Portland Building
25 High Street
Crawley
West Sussex, RH10 1BG

Bankers

Clydesdale Bank
2nd Floor, 35 Regent Street
London, SW1Y 4ND

Registered office

Ground Floor Suite
River House Maidstone Road
Sidcup
Kent
DA14 5RH

Directors' report

The directors present their report and the audited financial statements for the year ended 31 March 2014.

Results and dividends

The results for the financial year amounted to £nil (year ended 31 March 2013: £nil). The directors do not recommend payment of a dividend for the year (year ended 31 March 2013: £nil).

Principal activities

The principal activity of the company was the provision of security services, however as contracts have been transferred to a group company in previous years this company is now only used to process the payroll of the guards, which are retained as employees of the company.

Directors and company secretary

The directors who served the company during the year and up to the date of the financial statements were as follows:

J Levine
M Saunders
C Wisely

M Saunders served as company secretary.

Going concern

The company is part of the wider Axis Group Integrated Services Limited group which meets its day-to-day working capital requirements through close management of group cash flows and an invoice discounting facility. The group's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the group, and therefore the company, is able to operate within the level of its current facilities and other sources of finance that are available to them. The directors, having considered this and the financial position of the company, 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.

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.

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, 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:

Directors' report (continued)

Statement of directors' responsibilities (continued)

- 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 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.

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 auditors in connection with preparing its report, of which the auditors are unaware. Having made enquiries of fellow directors and the company's auditors, 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 auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Small company exemptions

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006, under this provision, the company is exempt from preparing a strategic report.

On behalf of the Board



M Saunders
Director

Date:

9/1/15

Registered number: 3073516

Independent auditors' report to the members of Temple Security Limited

Report on the financial statements

Our opinion

In our opinion, Temple Security Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2014 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 requirements of the Companies Act 2006.
-

What we have audited

Temple Security Limited's financial statements comprise:

- the Balance sheet as at 31 March 2014;
- the Profit and loss account for the year then ended;
- the Cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Temple Security Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, 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) ("ISAs (UK & 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Stephen Wootten (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick

9 January 2015

Profit and loss account

for the year ended 31 March 2014

		Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
	Note		
Other operating income		37,487	29,166
Administrative expenses		(37,487)	(29,166)
Operating result	2	-	-
Result on ordinary activities before taxation		-	-
Tax on result on ordinary activities	5	-	-
Result for the financial year	11	-	-

All amounts relate to continuing operations.

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


There were no gains or losses other than the result for the financial years stated above and therefore no statement of total recognised gains and losses has been presented.

Balance sheet

At 31 March 2014

	Note	31 March 2014 £'000	31 March 2013 £'000
Fixed assets			
Tangible fixed assets	7	-	7
		-	7
Current assets			
Debtors	8	2,712	2,551
Cash at bank and in hand		2	13
		2,714	2,564
Creditors: amounts falling due within one year	9	(2,917)	(2,774)
Net current liabilities		(203)	(210)
Total assets less current liabilities		(203)	(203)
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account	11	(303)	(303)
Total shareholders' deficit	12	(203)	(203)

The financial statements on pages 6 to 17 were approved by the Board of Directors and signed on their behalf by:



M Saunders
Director

Date: 9/1/15

Registered number: 3073516

Cash flow statement

for the year ended 31 March 2014

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Net cash (outflow)/inflow from operating activities	(11)	8
Capital expenditure and financial investment		
Receipts from sale of fixed assets	-	1
Cash transferred to group company	-	(1)
Net cash flow for capital expenditure and financial investment	-	-
Cash flow before financing	(11)	8
Financing	-	-
Net cash flow from financing	-	-
(Decrease)/increase in cash in the year	(11)	8

Cash flow statement (continued)

for year ended 31 March 2014

Reconciliation of operating result to net cash (outflow)/inflow from operating activities

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Operating result	-	-
Depreciation	7	19
(Increase)/decrease in debtors	(161)	(142)
Increase/(decrease) in creditors	143	131
Net cash (outflow)/inflow from operating activities	(11)	8

Reconciliation of net cash flow to movement in net cash

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
(Decrease)/increase in cash in the year	(11)	8
Net cash at beginning of the year	13	5
Net cash at end of the year	2	13

Analysis of changes in net cash

	At 1 April 2013 £'000	Cash flows £'000	At 31 March 2014 £'000
Cash	13	(11)	2
Debt repayable within one year	-	-	-
Debt due after one year	-	-	-
Net cash	13	(11)	2

Notes to the financial statement

At 31 March 2014

1. Accounting policies

Basis of preparation

The financial statements are prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards. The principle accounting policies, which have been applied consistently throughout the year, are set out below.

Going concern

The company is part of the wider Axis Group Integrated Services Limited group which meets its day-to-day working capital requirements through close management of group cash flows and an invoice discounting facility. The group's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the group, and therefore the company, is able to operate within the level of its current facilities and other sources of finance that are available to them. The directors, having considered this and the financial position of the company, 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.

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.

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.

Notes to the financial statement

At 31 March 2014

1. Accounting policies (continued)

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. Operating result

This is stated after charging:

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Depreciation of owned tangible fixed assets	7	19
Operating lease rentals:		
– land and buildings	-	7
	<u>7</u>	<u>7</u>

Auditors' remuneration costs have been borne by a fellow group company and not recharged to Temple Security Limited, as it is not practical to allocate the audit fees between group companies.

3. Directors' remuneration

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

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Remuneration and other emoluments	465	450
Contributions to pension schemes	31	29
	<u>496</u>	<u>479</u>

All of the above directors' remuneration 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 (2013: nil).

Notes to the financial statement

At 31 March 2014

3. Directors' remuneration (continued)

The emoluments of the highest paid director included within the above is as follows:

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Emoluments and other benefits	197	188
Contribution to pension scheme	18	18
	<u>215</u>	<u>206</u>

4. Staff costs

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Wages and salaries	34,021	26,575
Social security costs	3,356	2,567
Other pension costs	103	-
	<u>37,480</u>	<u>29,142</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	1,783	1,289
	<u>1,783</u>	<u>1,289</u>

Notes to the financial statement

At 31 March 2014

5. Tax on result on ordinary activities

(a) Tax on result on ordinary activities

The tax credit is made up as follows:

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Current tax:		
UK corporation tax charge on the result for the year	-	-
Deferred tax:		
Originating and reversal of timing differences	-	-
Tax on result on ordinary activities (note 6(b))	-	-

(b) Factors affecting tax charge for the year

The tax assessed on the result on ordinary activities for the year is different from the standard rate of corporation tax in the UK of 23% (2013: 24%). The differences are explained below:

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Result on ordinary activities before tax	-	-
Result on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013: 24%)		
Effects of:		
Fixed assets differences	1	-
Depreciation in excess of capital allowances	(4)	5
Other tax adjustments, reliefs and transfers	(2)	-
Income not taxable for tax purposes	-	(5)
Transfer pricing adjustments	154	210
Group relief claimed	(149)	(210)
Tax on result on ordinary activities (note 5(a))	-	-

Notes to the financial statement

At 31 March 2014

5. Tax on profit on ordinary activities (continued)

(c) Deferred tax:

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

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Fixed asset timing differences	-	28
At 31 March	-	28

The deferred tax asset has not been recognised due to the uncertainty over future suitable taxable profits from which the future reversal of the underlying timing differences will be available for offset.

Reductions in the UK corporation tax rate to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the group's future current tax charge accordingly. The deferred tax asset at 31 March 2014 has been calculated based on the rates of 20% and 21% substantively enacted at the balance sheet date.

6. Intangible fixed assets

	Goodwill £'000
Cost:	
At 31 March 2014 and 1 April 2013	1,030
Accumulated amortisation:	
At 31 March 2014 and 1 April 2013	1,030
Net book value:	
At 31 March 2014 and 31 March 2013	-

Notes to the financial statement

At 31 March 2014

7. Tangible fixed assets

	Leasehold property £'000	Motor vehicles £'000	Furniture, fittings and equipment £'000	Total £'000
Cost:				
At 1 April 2013	88	74	330	492
Disposals	(88)	(74)	(330)	(492)
At 31 March 2014	-	-	-	-
Accumulated depreciation:				
At 1 April 2013	88	74	323	485
Charge for the year	-	-	7	7
Disposals	(88)	(74)	(330)	(492)
At 31 March 2014	-	-	-	-
Net book value:				
At 31 March 2014	-	-	-	-
At 31 March 2013	-	-	7	7

8. Debtors

	31 March 2014 £'000	31 March 2013 £'000
Trade debtors	-	13
Amounts owed by group undertakings	2,698	2,511
Other debtors	14	27
	2,712	2,551

9. Creditors: amounts falling due within one year

	31 March 2014 £'000	31 March 2013 £'000
Trade creditors	10	15
Amounts owed to group undertakings	2,186	2,185
Taxation and social security costs	627	514
Other creditors	92	56
Accruals and deferred income	2	4
	2,917	2,774

Amounts owed by/to group undertakings are unsecured, interest free and repayable on demand.

Notes to the financial statement

At 31 March 2014

10. Called up share capital

	31 March 2014 No.	31 March 2014 £'000	31 March 2013 No.	31 March 2013 £'000
Allotted, called up and fully paid				
'A' ordinary shares of £1 each	100,000	100	100,000	100

11. Profit and loss account

	£'000
Balance at 1 April 2013	(303)
Result for the financial year	-
Balance at 31 March 2014	(303)

12. Reconciliation of movement in shareholders' deficit

	31 March 2014 £'000	31 March 2013 £'000
Opening shareholders' deficit	(203)	(203)
Result for the financial year	-	-
Closing shareholders' deficit	(203)	(203)

13. 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 is borne by a fellow group company. The contributions outstanding at the balance sheet date amounted to £36,000 (year ended 31 March 2013: £3,200).

14. 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.

Notes to the financial statement

At 31 March 2014

15. Related party transactions

The company is not wholly owned by the group headed by Axis Group Integrated Services Limited 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. Due to the disclosure requirements of Financial Reporting Standard No. 8 'Related Party Disclosures', details of these transactions and balances outstanding at the balance sheet date are set out below:

	31 March 2014 £'000	31 March 2013 £'000
Related party transactions with subsidiaries within the Axis Group – recharging of expenses	37,487	29,166
Related party transactions with subsidiaries within the Axis Group – balance due from at balance sheet date	260	325

16. 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 2014, the directors did not consider there to be any ultimate controlling party. Funds managed by Sovereign Capital Limited Partnership LLP, a company incorporated in the United Kingdom, have an effective interest of 88.38% in the equity share capital of Axis Group Integrated Services 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 Axis Group Integrated Services Limited. Copies of the financial statements are available from the registered address.