

Toldwell Limited

Annual report and financial statements

for the year ended 31 December 2010

Registered number 3188639

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Toldwell Limited

Annual report and financial statements for the year ended 31 December 2010

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Toldwell Limited

Directors and advisers

Executive directors

R J Pollard

M Lunn

S R Coates

Company secretary

R J Pollard

Independent Auditors

KPMG Audit Plc

Chartered Accountants and Statutory Auditors

1 The Embankment

Neville Street

LEEDS

LS1 4DW

Solicitors

Walker Morris

Kings Court

12 King Street

LEEDS

LS1 2HL

Registered office

Wistons Lane

ELLAND

West Yorkshire

HX5 9DT

Toldwell Limited

Directors' report for the year ended 31 December 2010

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2010. The directors' report has been prepared in accordance with the small companies regime of the Companies Act 2006.

Principal activity

The company acts as an intermediate parent company

Review of business and future developments

The profit and loss account for the year is set out on page 6

Both the level of business during the year and the year end financial position were considered satisfactory and the directors expect that the level of activity will be sustained for the foreseeable future

Given the straightforward nature of the business, the company's directors are of the opinion that a discussion of the principal risks and uncertainties affecting the company and an analysis using Key Performance Indicators (KPIs) is not necessary for an understanding of the development, performance or position of the business

Dividends

The directors have paid an interim dividend of £53,018,571 (2009:£nil) during the year ended 31 December 2010. The directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2010 (2009: £nil).

Directors

The directors who held office during the year and up to the date of signing the financial statements were as follows

R J Pollard

M Lunn

S R Coates (appointed 15 January 2010)

Toldwell Limited

Directors' report for the year ended 31 December 2010

continued

Statement of directors' 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 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 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.

Statement of disclosure of information to auditors

In accordance with Section 418, in the case of each director in office at the date the directors' report is approved, that

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) he 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.

Independent Auditors

The company has passed an elective resolution under Section 487(2) of the Companies Act 2006 to dispense with the requirement to reappoint auditors annually. KPMG Audit Plc shall, therefore, be deemed appointed as auditors.

By order of the board



R J Pollard
Company Secretary
26 April 2011

Independent auditors' report to the members of Toldwell Limited

We have audited the financial statements of Toldwell Limited for the year ended 31 December 2010 on pages 6 to 14. 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 an auditor's 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

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm

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 2010 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of 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

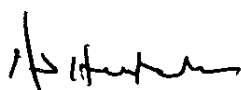
Toldwell Limited

Independent auditors' report to the members of Toldwell 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



DJ Hutchinson (Senior Statutory Auditor)
For and on behalf of KPMG Audit Plc
Chartered Accountants and Statutory Auditors
Leeds

✓ May 2011

Toldwell Limited

Profit and loss account for the year ended 31 December 2010

	Note	2010 £	2009 £
Administrative (expenses)/ income		(172)	(5,637)
Operating profit		(172)	(5,637)
Income from fixed asset investments – dividend received		-	2,273,845
from subsidiary undertaking			
Profit on disposal of fixed asset investment		37,438,463	-
Interest receivable	2	157	519
Profit on ordinary activities before taxation	3	37,438,448	2,268,727
Tax on profit on ordinary activities	6	4	-
Profit for the financial year	11	37,438,452	2,268,727

All amounts relate to continuing operations.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the financial year stated above, and their historical cost equivalents.

Toldwell Limited

Balance sheet as at 31 December 2010

	Note	2010 £	2009 £
Fixed assets			
Investments	7	-	822,407
Current assets			
Debtors	8	96	14,715,613
Cash at bank and in hand		-	43,746
		96	14,759,359
Creditors – amounts falling due within one year	9	-	(1,551)
Net current assets		96	14,757,808
Net assets		96	15,580,215
Capital and reserves			
Share capital	10	92	92
Share premium account	11	-	1,969,687
Profit and loss account	11	4	13,610,436
Total equity shareholders' funds	12	96	15,580,215

The financial statements on pages 6 to 14 were approved by the board of directors on 26 April 2011 and were signed on its behalf by



R J Pollard

Director

Registered number 3188639

Toldwell Limited

Statement of total recognised gains and losses for the year ended 31 December 2010

	Note	2010 £	2009 £
Profit for the financial year		37,438,452	2,268,727
Dividends paid	5	(53,018,571)	-
Total recognised (losses)/gains for the financial year		(15,580,119)	2,268,727

Toldwell Limited

Accounting policies

Basis of accounting

These financial statements are prepared under the historical cost convention, and in accordance with the Companies Act 2006 applicable accounting standards in the United Kingdom. The directors have prepared these financial statements on the fundamental assumption that the company is a going concern and will continue to trade for at least 12 months following the date of approval of the financial statements. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Investments

Investments in subsidiary undertakings are accounted for at cost plus incidental expenses less provision for impairment. A provision to reduce the carrying value of an investment is made if an impairment has taken place. The impairment charge is charged to the profit and loss account.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

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

Cash flow statement

The cash flows of the company are included in the consolidated cash flow statement of London Security plc. Consequently the company is exempt under the terms of FRS 1 (revised 1996) 'Cash flow statements' from publishing a cash flow statement.

Toldwell Limited

Notes to the financial statements for the year ended 31 December 2010

1 Employee information and directors' emoluments

The company had no employees, other than directors, during the year (2009: none). There were £nil staff costs in the year (2009: £nil). The directors were remunerated by other group undertakings.

2 Interest receivable

	2010	2009
	£	£
Bank interest receivable	157	519

3 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2010	2009
	£	£
Auditors' remuneration:		
- for audit services	250	1,482

4 Profit on disposal of fixed asset investment

In the year ended 31 December 2010, the company disposed of its investments in Importex and Nu-Swift BV, for a consideration of £38,260,870, realising a profit on disposal of £37,438,463.

5 Dividends

	2010	2009
	£	£
Equity - ordinary		
Paid £576,289 per share (2009: £nil)	53,018,571	-

Toldwell Limited

6 Tax on profit on ordinary activities

(a) Analysis of credit in year

	2010	2009
	£	£
United Kingdom corporation tax credit on profits of the year	(4)	-
Total current tax	(4)	-

(b) Factors affecting tax credit for the year

The current corporation tax credit for the year is higher (2009: less) than the charge calculated at the standard rate of corporation tax in the United Kingdom (28%) (2009: 28%). The differences are explained below.

	2010	2009
	£	£
Profit on ordinary activities before taxation	37,438,448	2,268,727
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 28% (2009: 28%)	10,482,765	635,244
Effects of		
Non taxable income	(10,482,769)	-
Double taxation relief	-	(635,244)
Total current tax credit	(4)	-

The non taxable income above is in respect of substantial shareholder exemption claim on disposal of fixed asset investments.

Toldwell Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

7 Investments

	£
Shares at cost	
At 1 January 2009	822,407
Disposal	(822,407)
At 31 December 2010	-

In the year ended 31 December 2010, the company disposed of its investments in Importex and Nu-Swift BV, for a consideration of £38,260,870, realising a profit on disposal of £37,438,463

Non-consolidation of subsidiary undertakings

The financial statements contain information about Toldwell Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated accounts as it and its subsidiary undertakings are included in the consolidated accounts of its parent undertaking, London Security plc, a company registered in England and Wales

8 Debtors

	2010	2009
	£	£
Corporation tax recoverable	4	-
Amount owed by parent undertakings	92	14,297,595
Amount owed by subsidiary undertaking	-	418,018
	96	14,715,613

Amounts owed by parent and subsidiary undertakings are unsecured, interest free and have no fixed date of repayment and are repayable on demand.

9 Creditors – amounts falling due within one year

	2010	2009
	£	£
Accruals	-	1,551

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Notes to the financial statements for the year ended 31 December 2010 (continued)

10 Called up share capital

	2010 £	2009 £
Authorised		
100 ordinary equity shares of £1 each	100	100
Issued, called up and fully paid		
92 ordinary equity shares of £1 each	92	92

11 Reserves

	Share premium account £	Profit and loss account £
At 1 January 2010	1,969,687	13,610,436
Profit for the financial year	-	37,438,452
Capital reduction	(1,969,687)	1,969,687
Dividends		(53,018,571)
At 31 December 2010	-	4

A capital reduction in respect of the share premium account was executed in the year to facilitate the payment of a dividend

12 Reconciliation of movement in shareholders' funds

	2010 £	2009 £
Profit for the financial year	37,438,452	2,268,727
Dividend paid	(53,018,571)	-
Opening shareholders' funds	15,580,215	13,311,488
Closing shareholders' funds	96	15,580,215

13 Contingent liabilities

At the year end, the company had guaranteed group borrowings under a cross-guarantee of £33.9 million (2009: £43.4 million). The loans are secured by fixed and floating charges over certain assets.

Toldwell Limited

14 Parent undertakings and ultimate controlling party

The immediate parent undertaking is Nu-Swift Limited

The directors regard EOI Fire S à r l , a company registered in Luxembourg, as the ultimate parent undertaking

The largest group in which the results of the company are consolidated is the London Security plc group, a company quoted on the Alternative Investment Market. Copies of the London Security plc consolidated financial statements may be obtained from the Company Secretary at Wistons Lane, Elland, West Yorkshire, HX5 9DS.

The directors regard Eden and Arianne Trust as the ultimate controlling party through its controlling interest in EOI Fire S à r l and Tristar Fire Corp

13 Related party transactions

The company has taken advantage of the exemption available under FRS 8 'Related party disclosures' from disclosing transactions with related parties within the London Security plc group.