

**Registration number 3807491**

**Classic Security (UK) Limited**  
**Director's report and financial statements**  
**for the year ended 31 July 2004**



## **Classic Security (UK) Limited**

### **Company information**

Director	C Thompson
Secretary	P Townsley
Company number	3807491
Registered office	Classic House Mendips, The Common Dunsfold, Nr Godalming Surrey, GU8 4LA
Auditors	Leslie Michael Lipowicz & Co. Accounts House 16 Dalling Road Hammersmith London W6 OJB
Business address	Classic House Mendips, The Common Dunsfold, Nr Godalming Surrey, GU8 4LA

## **Classic Security (UK) Limited**

### **Contents**

	<b>Page</b>
Director's report	<b>1</b>
Auditors' report	<b>2 - 3</b>
Profit and loss account	<b>4</b>
Balance sheet	<b>5</b>
Notes to the financial statements	<b>6 - 12</b>

**Classic Security (UK) Limited**

**Director's report  
for the year ended 31 July 2004**

The director presents her report and the financial statements for the year ended 31 July 2004.

**Principal activity**

The principal activities of the company were that of providing security and arboricultural maintenance services.

**Director and her interest**

The director who served during the year and her interest in the company are as stated below:

**Ordinary B shares**  
**31/07/04      01/08/03**

C Thompson	1	1
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**Director's responsibilities**

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.


The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable her to ensure that the financial statements comply with the Companies Act 1985. She is 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.

**Auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Leslie Michael Lipowicz & Co. be reappointed as auditors of the company will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 12 May 2005 and signed on its behalf by

  
H Towlesley  
Secretary

## **Classic Security (UK) Limited**

### **Independent auditors' report to the shareholders of Classic Security (UK) Limited**

We have audited the financial statements of Classic Security (UK) Limited for the year ended 31 July 2004 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of director and auditors**

As described in the statement of director's responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the director's report is not consistent with the financial statements, if 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 director's remuneration and transactions with the company is not disclosed.

We read the director's 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 United Kingdom Auditing Standards 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 judgements made by the director 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.

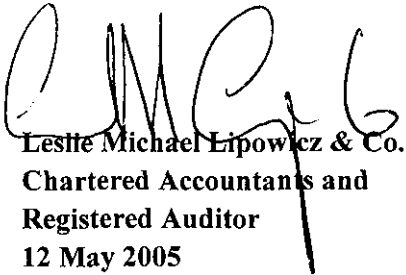
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Classic Security (UK) Limited**

**Independent auditors' report to the shareholders of Classic Security (UK) Limited continued**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 July 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Leslie Michael Lipowicz & Co.  
Chartered Accountants and  
Registered Auditor  
12 May 2005

Accounts House  
16 Dalling Road  
Hammersmith  
London  
W6 OJB

**Classic Security (UK) Limited**

**Profit and loss account  
for the year ended 31 July 2004**

		<b>2004</b>	<b>2003</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>2</b>	4,528,779	3,059,418
Cost of sales		(3,621,410)	(2,323,673)
<b>Gross profit</b>		<u>907,369</u>	<u>735,745</u>
Distribution costs		(97,694)	(72,122)
Administrative expenses		<u>(585,685)</u>	<u>(538,135)</u>
Other interest receivable and similar income		279	362
Amount written off investments	<b>4</b>	(9,300)	(4,800)
Interest payable and similar charges		<u>(19,794)</u>	<u>(17,720)</u>
<b>Profit on ordinary activities before taxation</b>		195,175	103,330
Tax on profit on ordinary activities	<b>7</b>	<u>(54,094)</u>	<u>(27,842)</u>
<b>Profit on ordinary activities after taxation</b>		141,081	75,488
Dividends		(195,000)	(73,800)
<b>(Loss)/retained profit for the year</b>		<u>(53,919)</u>	<u>1,688</u>
Retained profit brought forward		62,982	61,294
<b>Retained profit carried forward</b>		<u>9,063</u>	<u>62,982</u>

The notes on pages 6 to 12 form an integral part of these financial statements.

**Classic Security (UK) Limited**

**Balance sheet  
as at 31 July 2004**

		<b>2004</b>		<b>2003</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Intangible assets	<b>8</b>		6,000		9,000
Tangible assets	<b>9</b>		275,382		231,855
			<u>281,382</u>		<u>240,855</u>
<b>Current assets</b>					
Stocks		10,000		-	
Debtors	<b>10</b>	875,139		613,246	
Investments	<b>11</b>	20,000		15,000	
Cash at bank and in hand		3,022		1,390	
		<u>908,161</u>		<u>629,636</u>	
<b>Creditors: amounts falling due within one year</b>	<b>12</b>	(1,138,813)		(774,456)	
<b>Net current liabilities</b>			<u>(230,652)</u>		<u>(144,820)</u>
<b>Total assets less current liabilities</b>			50,730		96,035
<b>Creditors: amounts falling due after more than one year</b>	<b>13</b>		(30,191)		(23,443)
<b>Provisions for liabilities and charges</b>	<b>14</b>		(11,464)		(9,600)
<b>Net assets</b>			<u>9,075</u>		<u>62,992</u>
<b>Capital and reserves</b>					
Called up share capital	<b>16</b>		12		10
Profit and loss account			9,063		62,982
<b>Shareholders' funds</b>			<u>9,075</u>		<u>62,992</u>

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 12 May 2005 and signed on its behalf by



**C Thompson**  
**Director**

**The notes on pages 6 to 12 form an integral part of these financial statements.**



## **Classic Security (UK) Limited**

### **Notes to the financial statements for the year ended 31 July 2004**

#### **1. Accounting policies**

##### **1.1. Accounting convention**

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

##### **1.2. Turnover**

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

##### **1.3. Goodwill**

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years.

##### **1.4. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	Straight line over years
Plant and machinery	-	15 % Reducing balance
Fixtures, fittings and equipment	-	15% Reducing balance
Motor vehicles	-	15% Reducing balance

##### **1.5. Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

##### **1.6. Investments**

Current asset investments are at the lower of cost and net realisable value.

##### **1.7. Stock**

Stock is valued at the lower of cost and net realisable value.

##### **1.8. Pensions**

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings.

## Classic Security (UK) Limited

### Notes to the financial statements for the year ended 31 July 2004

..... continued

#### 1.9. Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas 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.

#### 2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

#### 3. Operating profit

	2004	2003
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off intangible assets	3,000	3,000
Depreciation and other amounts written off tangible assets	46,518	57,078
Auditors' remuneration	7,300	7,300
	<u>          </u>	<u>          </u>
and after crediting:		
Profit on disposal of tangible fixed assets	6,422	9,056
	<u>          </u>	<u>          </u>

**Classic Security (UK) Limited**

**Notes to the financial statements  
for the year ended 31 July 2004**

..... continued

<b>4. Amounts written off investments</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Amounts written off current asset investments	<u>9,300</u>	<u>4,800</u>

<b>5. Director's emoluments</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Remuneration and other benefits	<u>24,125</u>	<u>23,864</u>

**6. Pension costs**

The company operates a defined contribution pension scheme in respect of the director. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £23,320 (2003 - £15,642).

**7. Tax on profit on ordinary activities**

<b>Analysis of charge in period</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax	<u>52,230</u>	<u>24,689</u>
Total current tax charge	<u>52,230</u>	<u>24,689</u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	<u>1,864</u>	<u>3,153</u>
Total deferred tax	<u>1,864</u>	<u>3,153</u>
Tax on profit on ordinary activities	<u>54,094</u>	<u>27,842</u>

**Classic Security (UK) Limited**

**Notes to the financial statements  
for the year ended 31 July 2004**

..... continued

**8. Intangible fixed assets**

	<b>Goodwill</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
At 1 August 2003	21,000	21,000
At 31 July 2004	<u>21,000</u>	<u>21,000</u>
<b>Provision for diminution in value</b>		
At 1 August 2003	12,000	12,000
Charge for year	<u>3,000</u>	<u>3,000</u>
At 31 July 2004	<u>15,000</u>	<u>15,000</u>
<b>Net book values</b>		
At 31 July 2004	<u>6,000</u>	<u>6,000</u>
At 31 July 2003	<u>9,000</u>	<u>9,000</u>

**9. Tangible fixed assets**

	<b>Land and buildings freehold</b>	<b>Plant and machinery</b>	<b>Fixtures, fittings and equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
At 1 August 2003	24,390	176,576	52,050	155,855	408,871
Additions	-	26,700	4,805	64,351	95,856
Disposals	-	(8,250)	-	(13,517)	(21,767)
At 31 July 2004	<u>24,390</u>	<u>195,026</u>	<u>56,855</u>	<u>206,689</u>	<u>482,960</u>
<b>Depreciation</b>					
At 1 August 2003	-	94,870	21,506	60,640	177,016
On disposals	-	(6,531)	-	(9,425)	(15,956)
Charge for the year	-	16,001	7,172	23,345	46,518
At 31 July 2004	<u>-</u>	<u>104,340</u>	<u>28,678</u>	<u>74,560</u>	<u>207,578</u>
<b>Net book values</b>					
At 31 July 2004	<u>24,390</u>	<u>90,686</u>	<u>28,177</u>	<u>132,129</u>	<u>275,382</u>
At 31 July 2003	<u>24,390</u>	<u>81,706</u>	<u>30,544</u>	<u>95,215</u>	<u>231,855</u>

**Classic Security (UK) Limited**

**Notes to the financial statements  
for the year ended 31 July 2004**

..... continued

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2004		2003	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Plant and machinery	21,485	7,065	54,265	18,087
Motor vehicles	56,506	18,836	58,083	19,361
	<u>77,991</u>	<u>25,901</u>	<u>112,348</u>	<u>37,448</u>

**10. Debtors**

	2004 £	2003 £
Trade debtors	843,124	603,440
Other debtors	14,776	-
Prepayments and accrued income	17,239	9,806
	<u>875,139</u>	<u>613,246</u>

**11. Current asset investments**

	2004 £	2003 £
Other investments	<u>20,000</u>	<u>15,000</u>

The investments relate to the cost of 2 horses for the purpose of promoting the company.

**Classic Security (UK) Limited**

**Notes to the financial statements  
for the year ended 31 July 2004**

..... continued

<b>12. Creditors: amounts falling due within one year</b>	<b>2004 £</b>	<b>2003 £</b>
Bank overdraft	95,398	75,726
Pension fund loan	3,640	2,215
Net obligations under finance leases and hire purchase contracts	38,022	26,418
Trade creditors	519,047	343,058
Corporation tax	56,905	24,675
Other taxes and social security costs	195,171	151,696
Director's accounts	727	600
Other creditors	222,603	142,768
Accruals and deferred income	7,300	7,300
	<u>1,138,813</u>	<u>774,456</u>

<b>13. Creditors: amounts falling due after more than one year</b>	<b>2004 £</b>	<b>2003 £</b>
Net obligations under finance leases and hire purchase contracts	<u>30,191</u>	<u>23,443</u>

**14. Provisions for liabilities and charges**

	<b>Deferred taxation (Note 15) £</b>	<b>Total £</b>
At 1 August 2003	9,600	9,600
Movements in the year	1,864	1,864
At 31 July 2004	<u>11,464</u>	<u>11,464</u>

**Classic Security (UK) Limited**

**Notes to the financial statements  
for the year ended 31 July 2004**

..... continued

<b>15. Provision for deferred taxation</b>	<b>2004 £</b>	<b>2003 £</b>
Deferred tax charge in profit and loss account	1,864	3,153
Provision at 31 July 2004	<u>1,864</u>	<u>3,153</u>
 <b>16. Share capital</b>	 <b>2004 £</b>	 <b>2003 £</b>
<b>Authorised</b>		
1,000 Ordinary shares of 1 each	-	1,000
250 Ordinary A shares of 1 each	250	-
250 Ordinary B shares of 1 each	250	-
250 Ordinary C shares of 1 each	250	-
250 Ordinary D shares of 1 each	250	-
	<u>1,000</u>	<u>-</u>
 <b>Allotted, called up and fully paid</b>		
10 Ordinary shares of £1 each	-	10
9 Ordinary A shares of 1 each	9	-
1 Ordinary B shares of 1 each	1	-
1 Ordinary C shares of 1 each	1	-
1 Ordinary D shares of 1 each	1	-
	<u>12</u>	<u>-</u>

On 1 July 2004 the authorised share capital of the company was split from 1,000 Ordinary shares into 250 A, 250 B, 250 C and 250 D Ordinary shares.