

Registration number 3807491

Classic Security (UK) Limited
Director's report and financial statements
for the year ended 31 July 2005



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

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Classic Security (UK) Limited

**Director's report
for the year ended 31 July 2005**

The director presents her report and the financial statements for the year ended 31 July 2005.

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	
	31/07/05	01/08/04
C Thompson	1	1

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.

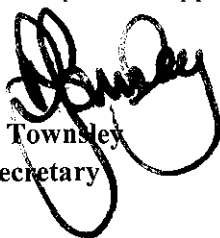
The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable her to ensure that the financial statements comply with the Companies Act 1985. She is also responsible for safeguarding the assets 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 16 November 2005 and signed on its behalf by


P Townsley
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 2005 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 2005 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
16 November 2005

Accounts House
16 Dalling Road
Hammersmith
London
W6 OJB

Classic Security (UK) Limited

**Profit and loss account
for the year ended 31 July 2005**

		2005	2004
	Notes	£	£
Turnover	2	5,294,283	4,528,779
Cost of sales		(4,219,028)	(3,621,410)
Gross profit		1,075,255	907,369
Distribution costs		(93,268)	(97,694)
Administrative expenses		(761,239)	(585,685)
Other interest receivable and similar income		207	279
Amount written off investments	4	(4,800)	(9,300)
Interest payable and similar charges		(19,662)	(19,794)
Profit on ordinary activities before taxation		196,493	195,175
Tax on profit on ordinary activities	7	(64,729)	(54,094)
Profit on ordinary activities after taxation		131,764	141,081
Dividends		(60,000)	(195,000)
Retained profit/(loss) for the year		71,764	(53,919)
Retained profit brought forward		9,063	62,982
Retained profit carried forward		80,827	9,063

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 2005**

		2005		2004	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	8		3,000		6,000
Tangible assets	9		286,761		275,382
			<u>289,761</u>		<u>281,382</u>
Current assets					
Stocks		10,000		10,000	
Debtors	10	1,061,144		875,139	
Investments	11	17,921		20,000	
Cash at bank and in hand		18,005		3,022	
		<u>1,107,070</u>		<u>908,161</u>	
Creditors: amounts falling due within one year	12	<u>(1,262,060)</u>		<u>(1,138,813)</u>	
Net current liabilities			<u>(154,990)</u>		<u>(230,652)</u>
Total assets less current liabilities			134,771		50,730
Creditors: amounts falling due after more than one year	13		(33,843)		(30,191)
Provisions for liabilities and charges	14		<u>(20,089)</u>		<u>(11,464)</u>
Net assets			<u>80,839</u>		<u>9,075</u>
Capital and reserves					
Called up share capital	16		12		12
Profit and loss account			80,827		9,063
Shareholders' funds			<u>80,839</u>		<u>9,075</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 16 November 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 2005**

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.

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 2005

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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

	2005	2004
	£	£
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	52,020	46,518
Loss on disposal of tangible fixed assets	21,165	(6,422)
Auditors' remuneration	7,793	7,300

4. Amounts written off investments

	2005	2004
	£	£
Amounts written off current asset investments	4,800	9,300

Classic Security (UK) Limited

Notes to the financial statements
for the year ended 31 July 2005

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5. Director's emoluments

	2005	2004
	£	£
Remuneration and other benefits	<u>23,864</u>	<u>24,125</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 £27,740 (2004 - £23,320).

7. Tax on profit on ordinary activities

Analysis of charge in period	2005	2004
	£	£
Current tax		
UK corporation tax	62,746	52,230
Adjustments in respect of previous periods	(6,642)	-
	<u>56,104</u>	<u>52,230</u>
Total current tax charge	<u>56,104</u>	<u>52,230</u>
Deferred tax		
Timing differences, origination and reversal	8,625	1,864
Total deferred tax	<u>8,625</u>	<u>1,864</u>
Tax on profit on ordinary activities	<u>64,729</u>	<u>54,094</u>

Classic Security (UK) Limited

Notes to the financial statements
for the year ended 31 July 2005

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8. Intangible fixed assets

	Goodwill £	Total £
Cost		
At 1 August 2004	21,000	21,000
At 31 July 2005	21,000	21,000
Provision for diminution in value		
At 1 August 2004	15,000	15,000
Charge for year	3,000	3,000
At 31 July 2005	18,000	18,000
Net book values		
At 31 July 2005	3,000	3,000
At 31 July 2004	6,000	6,000

9. Tangible fixed assets

	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 August 2004	24,390	195,026	56,855	206,689	482,960
Additions	-	11,990	15,172	50,250	77,412
Disposals	-	-	-	(28,295)	(28,295)
At 31 July 2005	24,390	207,016	72,027	228,644	532,077
Depreciation					
At 1 August 2004	-	104,339	28,678	74,560	207,577
On disposals	-	-	-	(14,281)	(14,281)
Charge for the year	-	15,728	7,593	28,699	52,020
At 31 July 2005	-	120,067	36,271	88,978	245,316
Net book values					
At 31 July 2005	24,390	86,949	35,756	139,666	286,761
At 31 July 2004	24,390	90,687	28,177	132,129	275,383

Classic Security (UK) Limited

**Notes to the financial statements
for the year ended 31 July 2005**

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

Asset description	2005		2004	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Plant and machinery	14,942	2,638	21,485	7,065
Motor vehicles	89,441	15,784	56,506	18,836
	<u>104,383</u>	<u>18,422</u>	<u>77,991</u>	<u>25,901</u>

10. Debtors	2005 £	2004 £
Trade debtors	922,165	843,124
Other debtors	118,639	14,776
Prepayments and accrued income	20,340	17,239
	<u>1,061,144</u>	<u>875,139</u>

Included in other debtors is £91,500 owed by the Share holders.

11. Current asset investments	2005 £	2004 £
Other investments	<u>17,921</u>	<u>20,000</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 2005**

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12. Creditors: amounts falling due within one year	2005 £	2004 £
Bank overdraft	45,767	95,398
Pension fund loan	1,333	3,640
Net obligations under finance leases and hire purchase contracts	49,884	38,022
Trade creditors	622,049	519,047
Corporation tax	62,809	56,905
Other taxes and social security costs	227,095	195,171
Director's accounts	-	727
Other creditors	245,823	222,603
Accruals and deferred income	7,300	7,300
	<u>1,262,060</u>	<u>1,138,813</u>

13. Creditors: amounts falling due after more than one year	2005 £	2004 £
Net obligations under finance leases and hire purchase contracts	<u>33,843</u>	<u>30,191</u>

14. Provisions for liabilities and charges

	Deferred taxation (Note 15) £	Total £
At 1 August 2004	11,464	11,464
Movements in the year	8,625	8,625
At 31 July 2005	<u>20,089</u>	<u>20,089</u>

Classic Security (UK) Limited

**Notes to the financial statements
for the year ended 31 July 2005**

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15. Provision for deferred taxation	2005	2004
	£	£
Deferred tax charge in profit and loss account	8,625	1,864
Provision at 31 July 2005	<u>8,625</u>	<u>1,864</u>
 16. Share capital	 2005	 2004
	£	£
250 Ordinary A shares of 1 each	250	250
250 Ordinary B shares of 1 each	250	250
250 Ordinary C shares of 1 each	250	250
250 Ordinary D shares of 1 each	250	250
	<u>1,000</u>	<u>1,000</u>
 Allotted, called up and fully paid		
9 Ordinary A shares of 1 each	9	9
1 Ordinary B shares of 1 each	1	1
1 Ordinary C shares of 1 each	1	1
1 Ordinary D shares of 1 each	1	1
	<u>12</u>	<u>12</u>
 17. Related party transactions		

£26,174 (2004: £12,671) is due from Carlton Lodge Rest Home Limited. Both C.Thompson and P.Townsley are directors and shareholders in this company.