

Registration number 3807491

Classic Security (UK) Limited
Director's report and financial statements
for the year ended 31 July 2009

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Classic Security (UK) Limited

Company information

Director	C Thompson J Mackenzie Lee	Appointed 6 January 2009
Secretary	P Townsley	
Company number	3807491	
Registered office	Classic House Unit 16 Alfold Business Centre Loxwood Road Cranleigh Surrey, GU6 6HP	
Auditors	Leslie Michael Lipowicz & Co Accounts House 16 Dalling Road Hammersmith London W6 OJB	
Business address	Classic House Unit 16 Alfold Business Centre Loxwood Road Cranleigh Surrey, GU6 6HP	

Classic Security (UK) Limited

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Classic Security (UK) Limited

Director's report for the year ended 31 July 2009

The director presents her report and the financial statements for the year ended 31 July 2009

Principal activity and review of the business

The principal of the company throughout the year continued to be those of the provision of security, cleaning and estate maintenance services

The directors are pleased to report that the company's turnover continued its record of year on year growth despite continuing difficult economic times. Classic remains well placed to respond to what continues to be a changing and competitive market and manages both direct and administrative costs effectively.

The company is committed to a comprehensive and developing policy of assuring the quality of its service to all clients as well as the adoption of environmentally responsible policies and practices combined with regular reviews of both its performance and the inherent scope for further improvements.

In the past eighteen months Classic has achieved the following

Quality Assurance ISO 9001 2008 (Re-accreditation January 2009)

National Highways Sector Scheme NHSS18 (The fourth company in the country to have been awarded this accreditation)

Environmental ISO14001 2004

Approved Contractor Scheme Recently achieving a score within the top 25% of contractors in the United Kingdom

The company continues to perform well and expects to maintain its current levels of trade despite difficult economic times.

Principal Risks and Uncertainties

The principal risk faced by the company is the increasingly competitive market brought about by the current economic climate and general down turn of the UK economy.

Key Performance Indicators

The company's management monitor both operational and financial KPIs on a regular basis.

Classic Security (UK) Limited

Director's report for the year ended 31 July 2009

continued

Financial (by both division and overall performance)

Actual performance against budget
Historical trends
Contract volumes and value
Contract margins
Gross and net profit percentages
Absorption of overhead per man hour worked
Debtor turnover
Cash flow forecasts

Operational (by division)
Levels of customer satisfaction
Levels of consumer satisfaction
Level of complaints per six month period
Level of non conformance per six month period

Future Developments

The directors are confident that even in these difficult economic conditions the company's long standing and well established reputation in the industry will support its trading activities. The principals continue to maintain a high profile within the business and work closely with the marketing team to develop new business.

Employees

The company recognises the importance of maintaining the wellbeing of its staff in the work place and as such human resources are actively out on the ground receiving feedback surveys. Communication with management is also encouraged. A regular newsletter keeps staff informed of company activities.

Disabled Employees

The company recognises its obligation towards employment of disabled persons and gives full and fair consideration to suitable applicants.

Results and dividends

The results for the year are set out on page 7

Classic Security (UK) Limited

**Director's report
for the year ended 31 July 2009**

continued

Director

The director who served during the year are as stated below

C Thompson

J Mackenzie Lee Appointed 6 January 2009

Director's responsibilities

The director is responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 financial statements 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 2006. 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.

In so far as the director is aware

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the director has taken all the steps that she ought to have taken to make aware of any relevant audit information and to establish that the company's auditors are aware of that information

Classic Security (UK) Limited

**Director's report
for the year ended 31 July 2009**

continued

Auditors

In accordance with Section 487(2) of the Companies Act 2006, 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 was approved by the Board on 18 March 2010 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'P Townley', is written over the printed name and title.

P Townley
Secretary

**Independent auditor's report to the members of
Classic Security (UK) Limited**

We have audited the financial statements of Classic Security (UK) Limited for the year ended 31 July 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Reconciliation of Movements in Shareholders' Funds 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).

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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1 - 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 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

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.

Opinion on the 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 July 2009 and of its profit 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.

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.

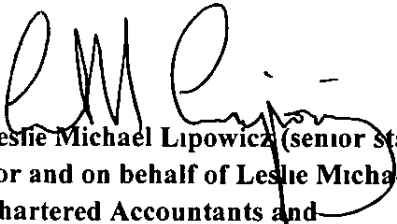
Matters on which we are required to report by exception

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.

**Independent auditor's report to the members of
Classic Security (UK) Limited**

continued



**Leslie Michael Lipowicz (senior statutory auditor)
For and on behalf of Leslie Michael Lipowicz & Co.
Chartered Accountants and
Registered Auditor
18 March 2010**

**Accounts House
16 Dalling Road
Hammersmith
London
W6 OJB**

Classic Security (UK) Limited

**Profit and loss account
for the year ended 31 July 2009**

		Continuing operations	
		2009	2008
	Notes	£	£
Turnover	2	6,321,900	6,406,165
Cost of sales		(4,990,886)	(5,210,944)
Gross profit		1,331,014	1,195,221
Distribution costs		(161,578)	(128,578)
Administrative expenses		(818,566)	(874,532)
Operating profit	3	350,870	192,111
Provision for write off of loan		(44,440)	(49,013)
Profit on ordinary activities before interest		306,430	143,098
Other interest receivable and similar income	4	218	28
Interest payable and similar charges	5	(16,091)	(31,340)
Profit on ordinary activities before taxation		290,557	111,786
Tax on profit on ordinary activities	8	(63,502)	(13,999)
Profit for the year		227,055	97,787
		<u> </u>	<u> </u>

There are no recognised gains or losses other than the profit or loss for the above two financial years

The notes on pages 10 to 18 form an integral part of these financial statements.

Classic Security (UK) Limited

**Balance sheet
as at 31 July 2009**

		2009		2008	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		531,044		597,769
Current assets					
Stocks	10	-		10,000	
Debtors	11	1,046,114		1,214,975	
Investments	12	17,921		17,921	
Cash at bank and in hand		4,848		701	
		<u>1,068,883</u>		<u>1,243,597</u>	
Creditors: amounts falling due within one year	13	<u>(1,329,742)</u>		<u>(1,571,495)</u>	
Net current liabilities			<u>(260,859)</u>		<u>(327,898)</u>
Total assets less current liabilities			270,185		269,871
Creditors: amounts falling due after more than one year	14		(75,504)		(139,926)
Provisions for liabilities	15		<u>(25,039)</u>		<u>(22,358)</u>
Net assets			<u>169,642</u>		<u>107,587</u>
Capital and reserves					
Called up share capital	16		20		20
Profit and loss account			169,622		107,567
Shareholders' funds	17		<u>169,642</u>		<u>107,587</u>

The financial statements were approved by the Board on 18 March 2010 and signed on its behalf by



C Thompson
Director

Registration number 3807491

The notes on pages 10 to 18 form an integral part of these financial statements.

Classic Security (UK) Limited

**Cash flow statement
for the year ended 31 July 2009**

	Notes	2009 £	2008 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		350,870	192,111
Depreciation		109,755	107,844
Decrease in stocks		10,000	(10,000)
Decrease in debtors		168,861	(5,161)
(Decrease) in creditors		(285,943)	153,906
Net cash inflow from operating activities		<u>353,543</u>	<u>438,700</u>
Cash flow statement			
Net cash inflow from operating activities		353,543	438,700
Returns on investments and servicing of finance	18	(15,873)	(31,312)
Capital expenditure	18	(81,423)	(153,245)
Acquisitions and disposals	18	(44,440)	(49,013)
		211,807	205,130
Equity dividends paid		(165,000)	(214,500)
Increase in cash in the year		<u>46,807</u>	<u>(9,370)</u>
Reconciliation of net cash flow to movement in net funds (Note 19)			
Increase in cash in the year		46,807	(9,370)
New finance leases and hire purchase contracts		38,392	(43,036)
Movement in net funds in the year		85,199	(52,406)
Net debt at 1 August 2008		(299,361)	(246,955)
Net debt at 31 July 2009		<u>(214,162)</u>	<u>(299,361)</u>

Classic Security (UK) Limited

Notes to the financial statements for the year ended 31 July 2009

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board

1.2. Turnover

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

1.3. 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

1.4. 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.

1.5. Investments

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

1.6. Stock

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

1.7. 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

1.8. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes

Classic Security (UK) Limited

**Notes to the financial statements
for the year ended 31 July 2009**

continued

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

Operating profit is stated after charging

Depreciation and other amounts written off tangible assets

Loss on disposal of tangible fixed assets

Auditors' remuneration

2009	2008
£	£
104,982	96,274
4,773	11,570
13,750	15,000
<u>123,505</u>	<u>122,844</u>

4. Interest receivable and similar income

Bank interest

2009	2008
£	£
218	28
<u>218</u>	<u>28</u>

5. Interest payable and similar charges

Interest payable on loans under 1 year

Hire purchase interest

2009	2008
£	£
3,864	9,760
12,227	21,580
<u>16,091</u>	<u>31,340</u>

Classic Security (UK) Limited

**Notes to the financial statements
for the year ended 31 July 2009**

continued

6 Employees

Number of employees	2009	2008
The average monthly numbers of employees (including the director) during the year were		

	289	247
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Employment costs

2009	2008
£	£

Wages and salaries	4,577,669	4,689,907
Social security costs	410,861	412,406
Pension costs-other operating charge	21,696	27,410
	5,010,226	5,129,723

6.1. Director's remuneration

2009	2008
£	£

Remuneration and other emoluments	23,864	23,864
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7. Pension costs

The company operates a defined contribution pension scheme in respect of the director and staff. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £21,696 (2008 - £27,410).

Classic Security (UK) Limited

**Notes to the financial statements
for the year ended 31 July 2009**

continued

8. Tax on profit on ordinary activities

Analysis of charge in period	2009	2008
	£	£
Current tax		
UK corporation tax	60,821	33,601
Adjustments in respect of previous periods	-	(10,994)
	<u>60,821</u>	<u>22,607</u>
Total current tax charge	<u>60,821</u>	<u>22,607</u>
Deferred tax		
Timing differences, origination and reversal	2,681	(8,608)
Total deferred tax	<u>2,681</u>	<u>(8,608)</u>
Tax on profit on ordinary activities	<u>63,502</u>	<u>13,999</u>

Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (21 00 per cent) The differences are explained below

	2009	2008
	£	£
Profit on ordinary activities before taxation	<u>290,557</u>	<u>111,786</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21 00% (31 July 2008 20 00%)	61,017	22,357
Effects of:		
Expenses not deductible for tax purposes	(17,740)	(2,881)
Capital allowances for period in excess of depreciation	<u>17,544</u>	<u>14,125</u>
Current tax charge for period	<u>60,821</u>	<u>33,601</u>

Classic Security (UK) Limited

Notes to the financial statements
for the year ended 31 July 2009

continued

9. Tangible fixed assets	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 August 2008	57,858	375,527	75,775	454,605	963,765
Additions	1,496	30,935	13,703	-	46,134
Disposals	-	(3,760)	-	(47,837)	(51,597)
At 31 July 2009	59,354	402,702	89,478	406,768	958,302
Depreciation					
At 1 August 2008	-	171,486	56,584	137,927	365,997
On disposals	-	(1,175)	-	(42,546)	(43,721)
Charge for the year	-	31,511	6,347	67,124	104,982
At 31 July 2009	-	201,822	62,931	162,505	427,258
Net book values					
At 31 July 2009	59,354	200,880	26,547	244,263	531,044
At 31 July 2008	57,858	204,041	19,191	316,678	597,768

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

Asset description	2009		2008	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Plant and machinery	69,340	4,683	81,576	5,510
Motor vehicles	126,396	31,600	168,528	42,132
	195,736	36,283	250,104	47,642
10. Stocks			2009 £	2008 £
Finished goods and goods for resale			-	10,000

Classic Security (UK) Limited

**Notes to the financial statements
for the year ended 31 July 2009**

continued

11 Debtors	2009	2008
	£	£
Trade debtors	921,335	1,109,732
Other debtors	65,380	7,188
Prepayments and accrued income	59,399	98,055
	<u>1,046,114</u>	<u>1,214,975</u>

Included in other debtors is £64,080 owed by the Share holders This amount was repaid on 11 December 2009

12. Current asset investments	2009	2008
	£	£
Other unlisted investments	<u>17,921</u>	<u>17,921</u>

The investment relates to the cost of 2 horses for the purpose of promoting the company

13. Creditors: amounts falling due within one year	2009	2008
	£	£
Bank overdraft	77,513	55,751
Payments received on account	32,060	26,923
Net obligations under finance leases and hire purchase contracts	83,914	122,306
Trade creditors	589,854	749,481
Corporation tax	60,821	33,601
Other taxes and social security costs	219,665	271,122
Director's accounts	321	1,967
Other creditors	244,328	271,999
Accruals and deferred income	19,737	35,152
Pension contributions	1,529	3,193
	<u>1,329,742</u>	<u>1,571,495</u>

Classic Security (UK) Limited

**Notes to the financial statements
for the year ended 31 July 2009**

continued

14. Creditors: amounts falling due after more than one year	2009 £	2008 £
Net obligations under finance leases and hire purchase contracts	<u>75,504</u>	<u>139,926</u>
15 Provisions for liabilities	Deferred taxation £	Total £
At 1 August 2008	22,358	22,358
Movements in the year	<u>2,681</u>	<u>2,681</u>
At 31 July 2009	<u>25,039</u>	<u>25,039</u>

Classic Security (UK) Limited

**Notes to the financial statements
for the year ended 31 July 2009**

continued

16. Share capital	2009 £	2008 £
Authorised		
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		
17 Ordinary A shares of 1 each	17	17
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>20</u>	<u>20</u>
Equity Shares		
17 Ordinary A shares of 1 each	17	17
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>20</u>	<u>20</u>
 17. Reconciliation of movements in shareholders' funds	 2009 £	 2008 £
Profit for the year	227,055	97,787
Dividends	(165,000)	(214,500)
	<u>62,055</u>	<u>(116,713)</u>
Opening shareholders' funds	107,587	224,300
Closing shareholders' funds	<u>169,642</u>	<u>107,587</u>

Classic Security (UK) Limited

Notes to the financial statements
for the year ended 31 July 2009

continued

18. Gross cash flows

	2009 £	2008 £
Returns on investments and servicing of finance		
Interest received	218	28
Interest paid	(16,091)	(31,340)
	<u>(15,873)</u>	<u>(31,312)</u>
Capital expenditure		
Payments to acquire tangible assets	(84,526)	(182,529)
Receipts from sales of tangible assets	3,103	29,284
	<u>(81,423)</u>	<u>(153,245)</u>
Acquisitions and disposals		
Loan written off	<u>(44,440)</u>	<u>(49,013)</u>

19. Analysis of changes in net funds

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	701	4,147		4,848
Overdrafts	<u>(55,751)</u>	<u>(21,762)</u>		<u>(77,513)</u>
	<u>(55,050)</u>	<u>(17,615)</u>		<u>(72,665)</u>
Liquid resources	<u>17,921</u>	-		<u>17,921</u>
Finance leases and hire purchase contracts	<u>(262,232)</u>	-	102,814	<u>(159,418)</u>
Net funds	<u>(299,361)</u>	<u>(17,615)</u>	<u>102,814</u>	<u>(214,162)</u>