

Registration Number 3807491

Classic Security (UK) Limited
Directors' Report and Financial Statements
for the year ended 31 July 2001



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Classic Security (UK) Limited

Company Information

Directors	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

Directors' Report for the year ended 31 July 2001

The directors present their report and the financial statements for the year ended 31 July 2001.

Principal Activity

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

Directors and their Interests

The directors who served during the year and their interests in the company are as stated below:

		Ordinary shares	
		2001	2000
C Thompson		1	1
A Boniface	Resigned 20/2/01	-	-

Directors' Responsibilities

Company law requires the directors 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 directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

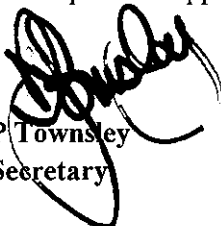
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 17 January 2002 and signed on its behalf by


P Townsley
Secretary

Classic Security (UK) Limited

Auditors' Report to the Shareholders of Classic Security (UK) Limited

We have audited the financial statements on pages 3 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 directors in the preparation of the financial statements, and 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.

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 2001 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**

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

17 January 2002

Classic Security (UK) Limited

**Profit and Loss Account
for the year ended 31 July 2001**

		2001	2000
	Notes	£	£
Turnover	2	2,443,647	1,474,564
Cost of sales		(1,818,917)	(1,002,885)
Gross profit		624,730	471,679
Administrative expenses		(514,204)	(421,949)
Operating profit	3	110,526	49,730
Interest receivable and similar income		83	-
Loans written off	4	(27,926)	-
Interest payable and similar charges	5	(20,330)	(16,688)
Profit on ordinary activities before taxation		62,353	33,042
Tax on profit on ordinary activities	7	(14,388)	(6,865)
Profit on ordinary activities after taxation		47,965	26,177
Dividends		(20,000)	-
Retained profit for the year		27,965	26,177
Retained profit brought forward		26,177	-
Retained profit carried forward		54,142	26,177

The notes on pages 5 to 9 form an integral part of these financial statements.

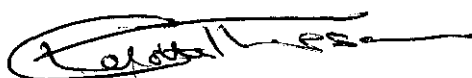
Classic Security (UK) Limited

**Balance Sheet
as at 31 July 2001**

	Notes	2001 £	2000 £
Fixed Assets			
Intangible assets	8	15,000	18,000
Tangible assets	9	308,217	288,613
		<u>323,217</u>	<u>306,613</u>
Current Assets			
Debtors	10	452,450	384,393
Investments	11	10,000	-
Cash at bank and in hand		10,422	437
		<u>472,872</u>	<u>384,830</u>
Creditors: amounts falling due within one year	12	<u>(584,700)</u>	<u>(480,559)</u>
Net Current Liabilities		<u>(111,828)</u>	<u>(95,729)</u>
Total Assets Less Current Liabilities		<u>211,389</u>	<u>210,884</u>
 Creditors: amounts falling due after more than one year	13	157,237	184,697
 Capital and Reserves			
Called up share capital	14	10	10
Profit and loss account		54,142	26,177
Shareholders' Funds and loans		<u>211,389</u>	<u>210,884</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 with the Financial Reporting Standard for Smaller Entities.

The financial statements were approved by the Board on 17 January 2002 and signed on its behalf by



C Thompson
Director

The notes on pages 5 to 9 form an integral part of these financial statements.

Classic Security (UK) Limited

Notes to the Financial Statements for the year ended 31 July 2001

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 March 2000).

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:

Plant and machinery	-	25 % Reducing balance
Fixtures, fittings and equipment	-	15% Reducing balance
Motor vehicles	-	20% 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. 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 except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

2. Turnover

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

Classic Security (UK) Limited

**Notes to the Financial Statements
for the year ended 31 July 2001**

..... continued

3. Operating profit	2001	2000
	£	£
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	69,491	58,332
Loss on disposal of tangible fixed assets	7,652	4,412
Auditors' remuneration	5,500	4,540
	<u> </u>	<u> </u>
 4. Loans written off	 2001	 2000
	£	£
Loans written off	27,926	-
	<u> </u>	<u> </u>
 5. Interest payable and similar charges	 2001	 2000
	£	£
Included in this category is the following:		
On loans and overdrafts	1,374	3,103
Hire purchase interest	18,833	13,426
	<u> </u>	<u> </u>
 6. Directors' emoluments	 2001	 2000
	£	£
Remuneration and other benefits	33,769	44,400
	<u> </u>	<u> </u>
 7. Taxation	 2001	 2000
	£	£
UK current year taxation		
UK Corporation Tax	14,388	6,865
	<u> </u>	<u> </u>

Classic Security (UK) Limited

**Notes to the Financial Statements
for the year ended 31 July 2001**

..... continued

8. Intangible fixed assets

	Goodwill	Total
	£	£
At 1 August 2000		
At 31 July 2001	21,000	21,000
Provision for diminution in value		
At 1 August 2000	3,000	3,000
Charge for year	3,000	3,000
At 31 July 2001	6,000	6,000
Net book values		
At 31 July 2001	15,000	15,000
At 31 July 2000	18,000	18,000

9. Tangible fixed assets

	Land and buildings freehold	Plant and machinery	Fixtures, fittings equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 August 2000	24,390	113,504	10,795	198,256	346,945
Additions	-	107,454	8,850	44,231	160,535
Disposals	-	-	-	(105,000)	(105,000)
At 31 July 2001	24,390	220,958	19,645	137,487	402,480
Depreciation					
At 1 August 2000	-	28,009	1,618	28,705	58,332
On disposals	-	-	-	(33,560)	(33,560)
Charge for the year	-	33,331	1,702	34,458	69,491
At 31 July 2001	-	61,340	3,320	29,603	94,263
Net book values					
At 31 July 2001	24,390	159,618	16,325	107,884	308,217
At 31 July 2000	24,390	85,495	9,177	169,551	288,613

Classic Security (UK) Limited

**Notes to the Financial Statements
for the year ended 31 July 2001**

..... continued

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

Asset description	2001		2000	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Plant and machinery	63,522	21,174	29,156	9,719
Motor vehicles	84,884	28,295	147,357	24,160
	<u>148,406</u>	<u>49,469</u>	<u>176,513</u>	<u>33,879</u>

10. Debtors

	2001 £	2000 £
Trade debtors	435,894	339,329
Other debtors	355	15,725
Prepayments and accrued income	16,201	29,339
	<u>452,450</u>	<u>384,393</u>

11. Current asset investments

	2001 £	2000 £
Listed investments	10,000	-

**12. Creditors: amounts falling due
within one year**

	2001 £	2000 £
Bank overdraft	45,566	26,344
Net obligations under finance leases and hire purchase contracts	50,716	55,572
Trade creditors	275,966	196,482
Corporation tax	14,388	6,865
Other taxes and social security costs	104,770	108,124
Other creditors	86,898	68,217
Accruals and deferred income	6,396	18,955
	<u>584,700</u>	<u>480,559</u>

Classic Security (UK) Limited

**Notes to the Financial Statements
for the year ended 31 July 2001**

..... continued

13. Creditors: amounts falling due after more than one year	2001 £	2000 £
Directors' loan	79,136	81,558
Net obligations under finance leases and hire purchase contracts	78,101	103,139
	<u>157,237</u>	<u>184,697</u>
 14. Share capital	 2001 £	 2000 £
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
 Allotted, called up and fully paid		
10 Ordinary shares of £1 each	<u>10</u>	<u>10</u>
 15. Transactions with directors		

Mr P Townsley, a director of the company, received consultancy fees of £40,900 during the period in review.