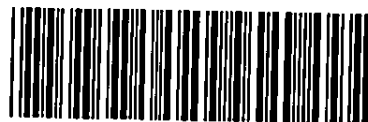


Financial Statements VSG Payroll Services Limited

For the year ended 31 March 2010

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Company information

Company registration number	3892294
Registered office	650 Pavilion Drive Northampton Business Park NORTHAMPTON NN4 7SL
Directors	L K L Barwell R K L Francis R J Jones W R Muskin
Secretary	R J Jones
Bankers	Royal Bank of Scotland Plc 72 Abington Street NORTHAMPTON NN1 2BH
Solicitors	DFA Law 6 Cheyne Walk NORTHAMPTON NN1 5PT Eversheds LLP 1 Royal Standard Place NOTTINGHAM NG1 6FZ
Auditor	Grant Thornton UK LLP Grant Thornton House Kettering Parkway Kettering Venture Park KETTERING Northants NN15 6XR

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Report of the directors

The directors present their report together with financial statements for the year ended 31 March 2010

Principal activity

The company is principally engaged in the provision of payroll services primarily in the banking sectors of commerce and industry

Business review and future developments

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements

The company has now ceased trading and is a dormant company

Financial risk management objectives and policies

The company uses various financial instruments including cash that arises directly from its operations. The main purpose of this financial instrument is to raise finance for the company's operations.

The existence of this financial instrument exposes the company to a number of financial risks, which are described in more detail below.

The main risks arising from the company's financial instrument are liquidity risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Credit risk

In order to manage credit risk the directors set limits for customers based on a combination of payments history and third party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

Directors

The present membership of the Board is set out below. All directors served throughout the year.

L K L Barwell
R K L Francis
R J Jones
W R Muskin

Statement of directors' responsibilities

The directors are responsible for preparing the Report of the Directors 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 financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 judgments and 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
- 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 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.

In so far as each of the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

BY ORDER OF THE BOARD



R J Jones
Secretary
24 June 2010



Independent auditor's report to the members of VSG Payroll Services Limited (registered number 3892294)

We have audited the financial statements of VSG Payroll Services Limited for the year ended 31 March 2010 which comprise the principal accounting policies, the profit and loss account, the balance sheet 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 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 auditor

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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

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 March 2010 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.



Independent auditor's report to the members of
VSG Payroll Services Limited
(registered number 3892294)

Opinion on other matters 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

A handwritten signature in black ink, appearing to read "Steve Robinson".

Steve Robinson
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Kettering

24 June 2010

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The company's accounting policies are unchanged compared with the prior year

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its ultimate parent publishes a consolidated cash flow statement

Turnover

The turnover is the revenue arising from the sale of services. It is stated net of value added tax, rebates and discounts

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity

Profit and loss account

	Note	2010 £	2009 £
Turnover	1	954,194	2,924,727
Cost of sales		<u>(923,532)</u>	<u>(2,832,223)</u>
Operating profit and profit on ordinary activities before taxation	1	30,662	92,504
Tax on profit on ordinary activities	3	<u>(3,005)</u>	<u>(9,003)</u>
Retained profit for the financial year	7	<u>27,657</u>	<u>83,501</u>

There were no other recognised gains or losses other than the profit for the financial year

All operations are classed as discontinued

Balance sheet

	Note	2010 £	2009 £
Current assets			
Debtors	4	3,006	305,079
Cash at bank and in hand		-	24
		<u>3,006</u>	<u>305,103</u>
Creditors: amounts falling due within one year	5	<u>(3,005)</u>	<u>(212,426)</u>
Net current assets		<u>1</u>	<u>92,677</u>
Capital and reserves			
Called-up equity share capital	6	1	1
Profit and loss account	7	-	92,676
Shareholder's funds	8	<u>1</u>	<u>92,677</u>

These financial statements were approved by the Board of Directors and authorised for issue on 24 June 2010. They were signed on its behalf by



R J Jones
Director

Notes to the financial statements

1 Turnover and profit on ordinary activities before taxation

The turnover and profit on ordinary activities before taxation are attributable to the principal activity as stated in the Report of the Directors

2 Directors and employees

The average number of staff employed by the company during the financial year amounted to

	2010	2009
	No	No
Field based staff	107	112

The aggregate payroll costs of the above were

	2010	2009
	£	£
Wages and salaries	846,018	2,592,005
Social security costs	77,184	239,746
	923,202	2,831,751

No director was remunerated during the period (2009 - nil)

3 Tax on profit on ordinary activities

The tax charge represents

	2010	2009
	£	£
Corporation tax	3,008	9,000
Adjustment in respect of prior periods	(3)	3
Total current tax charge	3,005	9,003

Tax on profit on ordinary activities (continued)

Factors affecting the tax charge for the year

The tax assessed for the year is different to the standard rate of corporation tax of 28% (2009 - 28%)

The difference can be explained as follows

	2010 £	2009 £
Profit on ordinary activities before tax	<u>30,662</u>	<u>92,504</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax of 28% (2009 - 28%)	8,585	25,901
Tax credits	(1,003)	-
Marginal relief	-	(3,000)
Group relief claimed	(4,574)	(13,901)
Adjustment in respect of prior periods	(3)	3
Total current tax	<u>3,005</u>	<u>9,003</u>

4 Debtors

	2010 £	2009 £
Amounts owed by group undertakings	3,006	293,950
Other debtors	-	4
Prepayments and accrued income	-	11,125
	<u>3,006</u>	<u>305,079</u>

5 Creditors: amounts falling due within one year

	2010 £	2009 £
Corporation tax	3,005	9,003
Social security and other taxes	-	80,107
Accruals and deferred income	-	123,316
	<u>3,005</u>	<u>212,426</u>

6 Share capital

	2010 £	2009 £
Authorised 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Equity shares Allotted, called up and fully paid 1 ordinary share of £1	<u>1</u>	<u>1</u>

7 Profit and loss account

	2010	2009
	£	£
At 1 April 2009	92,676	9,175
Profit for the financial year	27,657	83,501
Equity dividends paid	(120,333)	-
At 31 March 2010	-	92,676

8 Reconciliation of movements in shareholder's funds

	2010	2009
	£	£
Profit for the financial year	27,657	83,501
Equity dividends paid	(120,333)	-
Opening shareholder's funds	92,677	9,176
Closing shareholder's funds	1	92,677

9 Capital commitments

The company had no capital commitments at 31 March 2010 or 31 March 2009

10 Contingent liabilities

The company is party to an inter-company composite guarantee with accession between VSG Group Limited, VSG Investments Limited, VSG Holdings Limited, Vision Security Group Limited, VSG Staff Hire Limited and Vision Security Group Systems Limited. At 31 March 2010, the potential liability of the company was £10,978,791 (2009 - £11,925,000)

11 Transactions with related parties

As a wholly owned subsidiary of Vision Security Group Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by VSG Group Limited on the grounds that the consolidated accounts of VSG Group Limited are publicly available from Companies House

12 Controlling related party

Vision Security Group Limited is considered the controlling related party by virtue of its 100% shareholding

VSG Group Limited is considered the ultimate controlling party by virtue of its share ownership