

Registration number: 03922731

H & M Security Services Limited

Annual Report and Financial Statements

for the Year Ended 28 February 2014

Buzzacott LLP
Chartered Accountants and Registered Auditors
130 Wood Street
London
EC2V 6DL

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H & M Security Services Limited

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H & M Security Services Limited
Company Information

Directors	I. Henderson B. Tuite F. McLintock
Company secretary	B. Tuite
Registered office	C/o Tuite Tang Wong 2nd Floor 29-30 High Holborn London WC1V 6AZ
Registration number	03922731
Auditors	Buzzacott LLP Chartered Accountants and Registered Auditors 130 Wood Street London EC2V 6DL

H & M Security Services Limited

Strategic Report for the Year Ended 28 February 2014

The directors present their strategic report for the year ended 28 February 2014.

Business review

Fair review of the business

The directors consider the state of the company's affairs to be satisfactory despite current economic market conditions.

The results for the company show a pre-tax profit of £480,207 (2013 - £643,886) for the year and sales of £7,439,249 (2013 - £8,647,061). The company has net assets of £176,919 (2013 - £139,589). Net cash inflow from operating activities for 2014 was £313,227 (2013 - £661,346).

The company's key financial and other performance indicators during the year were as follows:

Key performance indicators ("KPIs")

	2013/2014	2012/2013
(Drop)/growth in sales (%)	(14%)	28%
Margin (%)	16%	17%

The gross margin has dropped by 1%.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the company are competition from other companies providing security services and adverse market conditions.

Approved by the Board on 26.11.14 and signed on its behalf by:



I. Henderson
Director

H & M Security Services Limited

Directors' Report for the Year Ended 28 February 2014

The directors present their report and the financial statements for the year ended 28 February 2014.

Directors' responsibilities

The directors are responsible for preparing the Directors' Report 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 the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 are sufficient to show and explain the company's transactions and 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.

Each of the directors confirms that:

- so far as the director is aware there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information.

This confirmation is given and should be interpreted in accordance with the special provisions of S418 of the companies Act 2006.

Charitable donations

During the year the company made charitable donations of £4,616 (2013 - £4,218).

Employee involvement

The company's policy is to consult and discuss with employees, through various media including but not limited to staff questionnaire, toolbox talks, company newsletter, email and staff representatives any matters which have the potential to impact or affect employees' interest.

Information of matters of concern to employees are also given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Employment of disabled persons

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses and where reasonably practicable adjustment of the workplace will be made. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities of the workplace in accordance with the DDA 1995 (amended 2005).

H & M Security Services Limited
Directors' Report for the Year Ended 28 February 2014

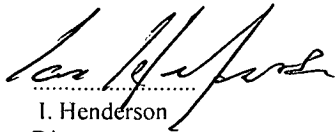
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Directors of the company

The directors who held office during the year were as follows:

I. Henderson
B. Tuite
F. McLintock

Approved by the Board on 26.11.14 and signed on its behalf by:


.....
I. Henderson
Director

Independent Auditor's Report to the Members of H & M Security Services Limited

We have audited the financial statements of H & M Security Services Limited for the year ended 28 February 2014, set out on pages 7 to 18. 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 3), 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 and express an opinion on 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 Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

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 28 February 2014 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 and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

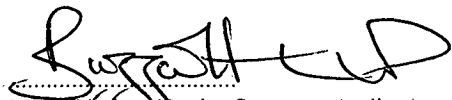
**Independent Auditor's Report to the Members of
H & M Security Services Limited**

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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:

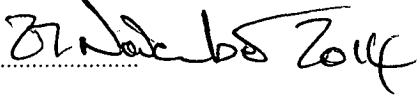
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Mark Wincey (Senior Statutory Auditor)

For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street
London
EC2V 6DL

Date: 

H & M Security Services Limited
Profit and Loss Account for the Year Ended 28 February 2014

	Note	2014 £	2013 £
Turnover	2	7,439,249	8,647,061
Cost of sales		<u>(6,277,708)</u>	<u>(7,185,041)</u>
Gross profit		1,161,541	1,462,020
Administrative expenses		<u>(656,097)</u>	<u>(796,307)</u>
Operating profit	3	505,444	665,713
Interest payable and similar charges	4	<u>(25,237)</u>	<u>(21,827)</u>
Profit on ordinary activities before taxation		480,207	643,886
Tax on profit on ordinary activities	5	<u>(116,777)</u>	<u>(144,365)</u>
Profit for the financial year	11	<u><u>363,430</u></u>	<u><u>499,521</u></u>

The company has no recognised gains or losses other than those included in the profit and loss account above.

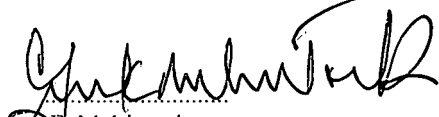
The results relate entirely to continuing operations.

There is no difference between the profit on ordinary activities before taxation and the results for the periods stated above and their historic cost equivalent.

H & M Security Services Limited
(Registration number: 03922731)
Balance Sheet at 28 February 2014

	Note	2014 £	2013 £
Fixed assets			
Tangible fixed assets	6	<u>65,380</u>	<u>78,737</u>
Current assets			
Debtors	7	2,392,490	2,268,051
Creditors: Amounts falling due within one year	8	<u>(2,222,895)</u>	<u>(2,207,199)</u>
Net current assets		<u>169,595</u>	<u>60,852</u>
Total assets less current liabilities		234,975	139,589
Creditors: Amounts falling due after more than one year	9	<u>(58,056)</u>	<u>-</u>
Net assets		<u><u>176,919</u></u>	<u><u>139,589</u></u>
Capital and reserves			
Called up share capital	10	300	300
Share premium account	11	39,925	39,925
Profit and loss account	11	<u>136,694</u>	<u>99,364</u>
Shareholders' funds - equity interests	12	<u><u>176,919</u></u>	<u><u>139,589</u></u>

Approved by the Board on 26.11.14 and signed on its behalf by:


 F. McIntock
 Director

Company Registration Number: 03922731 (England and Wales)

H & M Security Services Limited
Cash Flow Statement for the Year Ended 28 February 2014

Reconciliation of operating profit to net cash flow from operating activities

	2014	2013
	£	£
Operating profit	505,444	665,713
Depreciation, amortisation and impairment charges	18,333	23,850
Loss on disposal of fixed assets	5,623	-
Increase in debtors	(124,439)	(51,501)
(Decrease)/increase in creditors	(91,734)	23,284
Net cash inflow from operating activities	<u>313,227</u>	<u>661,346</u>

Cash flow statement

	2014	2013
	£	£
Net cash inflow from operating activities	313,227	661,346
Returns on investments and servicing of finance		
Interest paid	(25,237)	(21,827)
Taxation paid	(99,258)	(144,365)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(10,599)	(23,272)
Equity dividends paid	(326,100)	(486,000)
Net cash outflow before management of liquid resources and financing	<u>(147,967)</u>	<u>(14,118)</u>
Financing		
Value of new loans obtained during the period	89,723	-
Increase/(decrease) of in factored receivables	84,386	(59,447)
	<u>174,109</u>	<u>(59,447)</u>
Increase/(decrease) in cash	<u>26,142</u>	<u>(73,565)</u>

The notes on pages 11 to 18 form an integral part of these financial statements.

H & M Security Services Limited
Cash Flow Statement for the Year Ended 28 February 2014

..... *continued*

Reconciliation of net cash flow to movement in net debt

	Note	2014 £	2013 £
Increase/(decrease) in cash		26,142	(73,565)
Cash inflow from increase in loans		(89,723)	-
Cash (inflow)/outflow from (increase)/decrease in other debt		<u>(84,386)</u>	<u>59,447</u>
Change in net debt resulting from cash flows	14	<u>(147,967)</u>	<u>(14,118)</u>
Movement in net debt	14	(147,967)	(14,118)
Net debt at 1 March	14	<u>(1,079,369)</u>	<u>(1,065,251)</u>
Net debt at 28 February	14	<u><u>(1,227,336)</u></u>	<u><u>(1,079,369)</u></u>

H & M Security Services Limited
Notes to the Financial Statements for the Year Ended 28 February 2014

1 Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention.

Compliance with accounting standards

The Financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Turnover

Turnover represents the value of services provided and disbursements charged net of value added tax.

Depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its economic life.

Asset class	Depreciation method and rate
Fixtures, Fitting and Equipment	20% on written down value
Motor vehicles	25% on a straight line basis

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 a constant periodic rate of charge on the net obligation outstanding in each period.

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

Deferred tax

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

2 Turnover

The turnover and profit before taxation is attributable to the one principal activity of the company carried out in the United Kingdom.

H & M Security Services Limited

Notes to the Financial Statements for the Year Ended 28 February 2014

..... *continued*

3 Operating profit

Operating profit is stated after charging:

	2014 £	2013 £
Depreciation of owned assets	18,333	23,850
Loss on sale of tangible fixed assets	5,623	-
Rent	24,000	24,000
Auditor's remuneration	13,300	13,000
	<u>111,256</u>	<u>60,850</u>

4 Interest payable and similar charges

	2014 £	2013 £
On Bank loans and overdrafts	25,237	21,827
	<u>25,237</u>	<u>21,827</u>

5 Taxation

Tax on profit on ordinary activities

	2014 £	2013 £
Current tax		
Corporation tax charge at 23% (2013 - 24%)	116,777	161,534
Adjustments in respect of prior periods	-	(17,169)
UK Corporation tax	<u>116,777</u>	<u>144,365</u>

Factors affecting current tax charge for the year

	2014 £	2013 £
Profit on ordinary activities before taxation	<u>480,207</u>	<u>643,886</u>
Corporation tax at standard rate	110,855	155,626
Expenses not deductible for tax purposes	13,341	14,219
Adjustments to tax charge in respect of prior periods	-	(17,169)
Marginal relief	<u>(7,419)</u>	<u>(8,311)</u>
Total current tax	<u>116,777</u>	<u>144,365</u>

H & M Security Services Limited

Notes to the Financial Statements for the Year Ended 28 February 2014

..... continued

6 Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation			
At 1 March 2013	133,062	72,196	205,258
Additions	399	10,200	10,599
Disposals	-	(24,959)	(24,959)
At 28 February 2014	133,461	57,437	190,898
Depreciation			
At 1 March 2013	65,663	60,858	126,521
Charge for the year	13,555	4,778	18,333
Eliminated on disposals	-	(19,336)	(19,336)
At 28 February 2014	79,218	46,300	125,518
Net book value			
At 28 February 2014	54,243	11,137	65,380
At 28 February 2013	67,399	11,338	78,737

7 Debtors

	2014 £	2013 £
Trade debtors	1,504,691	1,552,129
Other debtors	368,092	248,378
Directors' current accounts	390,189	325,704
Prepayments and accrued income	129,518	141,840
	2,392,490	2,268,051

H & M Security Services Limited

Notes to the Financial Statements for the Year Ended 28 February 2014

..... continued

8 Creditors: Amounts falling due within one year

	2014 £	2013 £
Trade creditors	216,637	119,432
Bank loans and overdrafts	45,273	71,415
Corporation tax	261,141	241,545
Other taxes and social security	368,362	472,534
Other creditors	32,758	17,843
Amounts due in respect of factored receivables	1,092,340	1,007,954
Accruals and deferred income	206,384	276,476
	<u>2,222,895</u>	<u>2,207,199</u>

Amount due in respect of factored receivables is £1,092,340 (2013 - £1,007,954). The company is financed through an overdraft facility and an invoice factoring arrangement with HSBC. These facilities are secured by a fixed charge over the debts purchased, fixed and floating charge debentures over the assets of the company.

9 Creditors: Amounts falling due after more than one year

	2014 £	2013 £
Other loans	<u>58,056</u>	<u>-</u>

10 Share capital

Allotted, called up and fully paid shares

	2014		2013	
	No.	£	No.	£
Ordinary shares of £1 each	<u>300</u>	<u>300</u>	<u>300</u>	<u>300</u>

H & M Security Services Limited

Notes to the Financial Statements for the Year Ended 28 February 2014

..... continued

11 Reserves

	Share premium account £	Profit and loss account £	Total £
At 1 March 2013	39,925	99,364	139,289
Profit for the year	-	363,430	363,430
Dividends	-	(326,100)	(326,100)
At 28 February 2014	<u>39,925</u>	<u>136,694</u>	<u>176,619</u>

12 Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Profit attributable to the members of the company	363,430	499,521
Dividends	<u>(326,100)</u>	<u>(486,000)</u>
Net addition to shareholders' funds	37,330	13,521
Shareholders' funds at 1 March	<u>139,589</u>	<u>126,068</u>
Shareholders' funds at 28 February	<u>176,919</u>	<u>139,589</u>

13 Financial commitments

Operating lease commitments

As at 28 February 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 28th February 2014:

	2014 £	2013 £
Operating leases which expire		
Within one year	24,000	-
Within two and five years	<u>-</u>	<u>24,000</u>
	<u>24,000</u>	<u>24,000</u>

H & M Security Services Limited

Notes to the Financial Statements for the Year Ended 28 February 2014

..... continued

14 Analysis of net debt

	At 1 March 2013 £	Cash flow £	At 28 February 2014 £
Bank overdraft	(71,415)	26,142	(45,273)
Debt due within one year	(1,007,954)	(116,053)	(1,124,007)
Debt due after more than one year	-	(58,056)	(58,056)
Net debt	<u>(1,079,369)</u>	<u>(147,967)</u>	<u>(1,227,336)</u>

15 Transactions with directors

The following directors had overdrawn interest free loans during the year as a result of personal expenditure paid by the company and advances paid to directors.

	Amount outstanding	
	2014 £	2013 £
I Henderson	209,649	169,978
F McIntock	135,588	97,981
B Tuite	<u>44,951</u>	<u>57,745</u>

During the year dividends of £108,700 (2013 - £162,000) were paid to I Henderson (a director). Personal expenditure totalling £13,372 (2013 - £6,458) was paid by the company and advances of £26,300 (2013 - £10,000) were paid. During the year repayments of £nil (2013 - £20,000) were made to the company. At the year end the outstanding interest fee loan amount due to the company was £209,650 (2013 - £169,978).

During the year dividends of £108,700 (2013 - £162,000) were paid to F McIntock (a director). Personal expenditure totalling £11,306 (2013 - £2,982) was paid by the company and advances of £26,300 (2013 - £10,000) were paid. During the year repayments of £nil (2013 - £20,000) were made to the company. At the year end the outstanding interest fee loan amount due to the company was £135,587 (2013 - £97,981).

During the year dividends of £108,700 (2013 - £162,000) were paid to B Tuite (a director). Personal expenditure totalling £11,306 (2013 - £2,982) was paid by the company and advances of £nil (2013 - £26,000) were paid. During the year repayments of £24,100 (2013 - £20,000) were made to the company. At the year end the outstanding interest fee loan amount due to the company was £44,951 (2013 - £57,745).

H & M Security Services Limited

Notes to the Financial Statements for the Year Ended 28 February 2014

..... *continued*

16 Wages and salaries

	2014	2013
	£	£
Wages	5,342,674	5,989,726
Salaries	257,407	268,751
Employer NI	412,449	466,768
	<u>6,012,530</u>	<u>6,725,245</u>

The average number of staff in the year were

Average number of staff

	2014	2013
Administration	10	12
Security guard	196	215
	<u>206</u>	<u>227</u>

H & M Security Services Limited

Notes to the Financial Statements for the Year Ended 28 February 2014

..... *continued*

17 Related party transactions

Other related party transactions

During the year the company made the following related party transactions:

Tuite Tang Wong

Mr B Tuite a director and shareholder of H&M Security Services Limited is a partner in the accountancy practice Tuite Tang Wong.

Tuite Tang Wong has charged to the company £20,172 (2013 - £21,880) net of VAT during the year for accountancy services. At the balance sheet date the amount due to Tuite Tang Wong was £5,798 (2013 - £1,932).

H & M Security Services (Gibraltar) Limited

On 6th August 2012, H & M Security Services Limited acquired the share capital of 2,000 ordinary shares of a subsidiary company incorporated in Gibraltar (H & M Security Services (Gibraltar) Limited) for £2,000. On 22nd November 2012 the shares were transferred equally to the three directors of H & M Security Services Limited for £2,000 in total, I Henderson, F McIntock and B Tuite. Each director was transferred 666 shares with the remaining two shares divided equally between the three directors.

During the year, H & M Security Services Limited incurred expenses of £409,180 (2013 - £168,943) on behalf of H & M Security Services (Gibraltar) Limited, which is a related party by virtue of a common share ownership. At the balance sheet date the amount due from H & M Security Services (Gibraltar) Limited was £292,623 (2013 - £168,943).

18 Directors' emoluments

The directors' emoluments for the year was as follows:

	2014 £	2013 £
Emoluments for qualifying services	<u>6,000</u>	<u>11,000</u>

19 Controlling party

There was no controlling party in the years ended 28th February 2013 and 28th February 2014.