

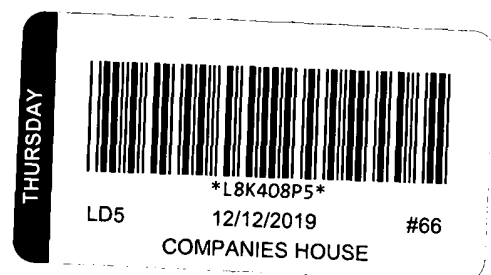
Registration number: 03922731

H & M Security Services Limited

Annual Report and Financial Statements

for the Year Ended 28 February 2019

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



H & M Security Services Limited

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H & M Security Services Limited

Company Information

Directors	B. Tuite I. Henderson
Registered office	Alliance House 2nd Floor 29-30 High Holborn London WC1V 6AZ
Registration number	03922731
Independent auditor	Buzzacott LLP Chartered Accountants and Registered Auditor 130 Wood Street London EC2V 6DL

H & M Security Services Limited

Strategic Report for the Year Ended 28 February 2019

The directors present their strategic report for H&M Security Services Limited ('the Company') for the year ended 28 February 2019.

Principal activity

The principal activity of the company is that of security services and building management.

Business review and development of the business

The turnover of the Company in the year decreased by 15.3%. Gross profit margin has decreased from 14.0% to 12.9%.

The results for the company show a profit before tax of £410,389 (2018 - £780,998) for the year and turnover of £12,626,926 (2018 - £14,915,458). The company has net assets of £275,947 (2018 - £415,819). Net cash inflow from operating activities for 2019 was £1,386,585 (2018 - Outflow of £125,933).

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

	Percentage	2019	2018
Growth / (reduction) in turnover	%	-15.3	18.3
Margin	%	12.9	14.0

There has been a reduction in turnover from the previous year as the manning levels required on two of our major projects has been reduced. The increase of 18.3% in our turnover in the previous year was due in the main to these projects reaching their peak in manning requirements such that our turnover has now fallen to a similar level to that of the year ended 28th February 2017.

Strategy

H & M Security Services Ltd has established itself in the market as a provider of security services with a reputation for reliability and a high standard.

The company has a robust management team and recruits to a high standard to maintain a quality service to its clients.

As the company has its inhouse 24/7 control room, it is able to monitor security officers working on remote site to ensure quality and compliance for lone worker safety. The inhouse control room enables the company to provide monitoring services to its client's country wide.

The company maintains its partnership with Business First with regards to the integration of CCTV and Security Systems in support of our manned guarding services. The camera mounted trailers they provide have proved a huge success as they can be rapidly deployed and used to form part of a holistic security solution including manned guardings. This partnership has supported the development of our control room into a monitoring station.

The company now has a strong base from which to develop over the coming years.

H & M Security Services Limited

Strategic Report for the Year Ended 28 February 2019

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are considered to be:

- Credit risk and bad debts;
- Loss of significant contract or customer;
- Non-compliance with applicable legislation and governance;
- Availability of capital to fund growth; and
- Macro-economic factors such as UK recession or interest rate rises.

All the above risks and uncertainties are kept under constant review by the Board on a day to day basis and also via monthly board meetings. The directors are confident that the business maintains effective risk control and review procedures and that all applicable risks are managed to acceptable level.

Future outlook

The company has maintained a robust reputation especially within the rail sector and expected to expand in this sector in the coming year. The directors are confident in expanding the business based on the foundations that have been established over the years.

Approved by the Board on 3-12-19 and signed on its behalf by:



I. Henderson
Director

H & M Security Services Limited

Directors' Report for the Year Ended 28 February 2019

The directors present their report together with the Strategic Report and the financial statements of the company for the year ended 28 February 2019.

Directors of the company

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

F. McLintock (Resigned 11 November 2019)

B. Tuite

I. Henderson

Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £450,000 (2018 - £504,000). The directors do not recommend payment of a final dividend (2018 - Nil)

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards). 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 for the company's financial statements and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has 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.

Disclosure of information to auditor

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.

H & M Security Services Limited

Directors' Report for the Year Ended 28 February 2019

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).

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 and any matters which have the potential to impact or affect employees' interests.

Information 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.

Strategic Report information

the following information has been included in the Strategic Report:

- Financial risk management objectives
- exposure of the company to price risk, credit risk, liquidity risk and cash flow risk.

Approved by the Board on 3.12.19 and signed on its behalf by:



I. Henderson
Director

H & M Security Services Limited

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

Opinion

We have audited the financial statements of H&M Security Services Limited ('the Company') for the year ended 28 February 2019 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity, the Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 February 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

H & M Security Services Limited

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

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

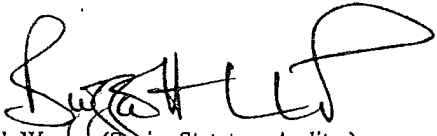
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

H & M Security Services Limited

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

Use of our report

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.



Mark Worsey (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street
London
EC2V 6DL

Date:.....

10 Dec 2017

H & M Security Services Limited

Statement of Comprehensive Income for the Year Ended 28 February 2019

	Note	2019 £	2018 £
Turnover	3	12,626,926	14,915,458
Cost of sales		<u>(10,996,534)</u>	<u>(12,862,493)</u>
Gross profit		1,630,392	2,052,965
Administrative expenses		<u>(1,186,800)</u>	<u>(1,234,390)</u>
Operating profit	5	443,592	818,575
Interest payable and similar charges	6	<u>(33,203)</u>	<u>(37,577)</u>
Profit before tax		410,389	780,998
Taxation	9	<u>(100,261)</u>	<u>(177,518)</u>
Profit for the financial year		<u>310,128</u>	<u>603,480</u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

H & M Security Services Limited

(Registration number: 03922731)

Statement of Financial Position as at 28 February 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	10	81,197	105,801
Current assets			
Debtors	11	2,908,932	3,980,389
Cash at bank and in hand		<u>141</u>	<u>-</u>
		2,909,073	3,980,389
Creditors: Amounts falling due within one year	12	<u>(2,714,323)</u>	<u>(3,669,779)</u>
Net current assets		<u>194,750</u>	<u>310,610</u>
Total assets less current liabilities		275,947	416,411
Creditors: Amounts falling due after more than one year	12	<u>-</u>	<u>(592)</u>
Net assets		<u>275,947</u>	<u>415,819</u>
Capital and reserves			
Called up share capital	14	300	300
Share premium reserve		39,925	39,925
Profit and loss account		<u>235,722</u>	<u>375,594</u>
Total equity		<u>275,947</u>	<u>415,819</u>

Approved and authorised by the Board on 9.12.19 and signed on its behalf by:



B. Tuite

Director

H & M Security Services Limited

Statement of Changes in Equity for the Year Ended 28 February 2019

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 March 2018	300	39,925	375,594	415,819
Profit for the year	-	-	310,128	310,128
Total comprehensive income	-	-	310,128	310,128
Dividends	-	-	(450,000)	(450,000)
At 28 February 2019	300	39,925	235,722	275,947
	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 March 2017	300	39,925	276,114	316,339
Profit for the year	-	-	603,480	603,480
Total comprehensive income	-	-	603,480	603,480
Dividends	-	-	(504,000)	(504,000)
At 28 February 2018	300	39,925	375,594	415,819

The notes on pages 13 to 21 form an integral part of these financial statements.

H & M Security Services Limited

Statement of Cash Flows for the Year Ended 28 February 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Profit for the financial year		310,128	603,480
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	35,768	39,101
Loss on disposal of tangible assets	4	6,190	5,881
Finance costs	6	33,203	37,577
Corporation tax expense	9	100,261	177,518
		<u>485,550</u>	<u>863,557</u>
Working capital adjustments			
Decrease/(increase) in trade debtors	11	1,071,457	(504,754)
Decrease in trade creditors	12	(170,422)	(264,596)
Cash generated from operations		1,386,585	94,207
Corporation tax paid		<u>-</u>	<u>(220,200)</u>
Net cash flow from operating activities		<u>1,386,585</u>	<u>(125,993)</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(17,354)	(47,741)
Proceeds from sale of tangible assets		<u>-</u>	<u>11,159</u>
Net cash flows from investing activities		<u>(17,354)</u>	<u>(36,582)</u>
Cash flows from financing activities			
Interest paid	6	(33,203)	(37,577)
Increase in bank borrowings		(52,749)	(58,984)
Increase in other borrowings		(592)	(2,596)
Dividends paid		(450,000)	(504,000)
Movement in factored debt		<u>(833,508)</u>	<u>781,422</u>
Net cash flows from financing activities		<u>(1,370,052)</u>	<u>178,265</u>
Net (decrease)/increase in cash and cash equivalents		(821)	15,690
Cash and cash equivalents at 1 March		<u>(42,826)</u>	<u>(58,516)</u>
Cash and cash equivalents at 28 February	15	<u>(43,647)</u>	<u>(42,826)</u>

The notes on pages 13 to 21 form an integral part of these financial statements.

H & M Security Services Limited

Notes to the Financial Statements for the Year Ended 28 February 2019

1 General information

The company is a incorporated in Great Britain and registered in England and Wales, registration number 03922731.

The address of its registered office is:

Alliance House
2nd Floor
29-30 High Holborn
London
WC1V 6AZ

The principal place of business is:

1st Floor
476-478 Larkshall Road
Highams Park
London
E4 9HH
United Kingdom

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The significant accounting policies and key accounting estimates applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Judgements in applying accounting policies and key sources of estimation uncertainty.

The directors do not consider that there were any significant areas of estimation uncertainty or application of judgement.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity; and
- specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

H & M Security Services Limited

Notes to the Financial Statements for the Year Ended 28 February 2019

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Comprehensive Income over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

H & M Security Services Limited

Notes to the Financial Statements for the Year Ended 28 February 2019

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance costs in the Statement of Comprehensive Income and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Turnover

The analysis of the company's revenue for the year from continuing operations is as follows:

	2019	2018
	£	£
United Kingdom	<u>12,626,926</u>	<u>14,915,458</u>

4 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2019	2018
	£	£
Loss on disposal of property, plant and equipment	<u>(6,190)</u>	<u>(5,881)</u>

H & M Security Services Limited

Notes to the Financial Statements for the Year Ended 28 February 2019

5 Operating profit

The operating profit is stated after charging

	2019 £	2018 £
Depreciation expense	35,768	39,101
Lease rental	-	29,000
Loss on disposal of property, plant and equipment	<u>6,190</u>	<u>5,881</u>

6 Interest payable and similar expenses

	2019 £	2018 £
Interest on bank overdrafts and borrowings	30,460	23,540
Interest on obligations under finance leases and hire purchase contracts	462	462
Interest expense on other finance liabilities	<u>2,281</u>	<u>13,575</u>
	<u>33,203</u>	<u>37,577</u>

7 Staff costs

The aggregate staff costs (including directors' remuneration) were as follows:

	2019 £	2018 £
Wages and salaries	10,028,657	12,305,694
Pension costs, defined contribution scheme	140,677	72,828
Other employee expenses	<u>5,330</u>	<u>8,022</u>
	<u>10,174,664</u>	<u>12,386,544</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2019 No.	2018 No.
Administration and support	17	18
Other departments	<u>374</u>	<u>469</u>
	<u>391</u>	<u>487</u>

8 Auditors' remuneration

	2019 £	2018 £
Audit of the financial statements	<u>15,500</u>	<u>15,500</u>

H & M Security Services Limited

Notes to the Financial Statements for the Year Ended 28 February 2019

9 Taxation

Tax charged/(credited) in the income statement

	2019 £	2018 £
Current taxation		
UK corporation tax	100,261	170,146
UK corporation tax adjustment to prior periods	-	7,372
	<u>100,261</u>	<u>177,518</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2018 - higher than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £	2018 £
Profit before tax	<u>410,389</u>	<u>780,998</u>
Corporation tax at standard rate	77,974	149,039
Effect of expense not deductible in determining taxable profit (tax loss)	18,554	17,662
Tax increase from effect of capital allowances and depreciation	<u>3,733</u>	<u>3,445</u>
Total tax charge	<u>100,261</u>	<u>170,146</u>

H & M Security Services Limited

Notes to the Financial Statements for the Year Ended 28 February 2019

10 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation			
At 1 March 2018	185,126	90,655	275,781
Additions	1,154	16,200	17,354
Disposals	-	(13,687)	(13,687)
At 28 February 2019	<u>186,280</u>	<u>93,168</u>	<u>279,448</u>
Depreciation			
At 1 March 2018	133,720	36,260	169,980
Charge for the year	10,512	25,256	35,768
Eliminated on disposal	-	(7,497)	(7,497)
At 28 February 2019	<u>144,232</u>	<u>54,019</u>	<u>198,251</u>
Carrying amount			
At 28 February 2019	<u>42,048</u>	<u>39,149</u>	<u>81,197</u>
At 28 February 2018	<u>51,406</u>	<u>54,395</u>	<u>105,801</u>

11 Debtors

	2019 £	2018 £
Trade debtors	2,110,157	2,976,757
Other debtors	564,541	587,657
Prepayments	60,734	23,377
Accrued income	173,500	392,598
	<u>2,908,932</u>	<u>3,980,389</u>

H & M Security Services Limited

Notes to the Financial Statements for the Year Ended 28 February 2019

12 Creditors

	Note	2019 £	2018 £
Due within one year			
Loans and borrowings	15	1,292,167	2,177,603
Trade creditors		234,132	89,328
Social security and other taxes		627,912	756,555
Outstanding defined contribution pension costs		16,743	-
Other payables		1,021	8,619
Accrued expenses		275,300	471,028
Corporation Tax liability	9	266,907	166,646
		<u>2,714,182</u>	<u>3,669,779</u>
Due after one year			
Loans and borrowings	15	-	592

Included within loans and borrowings due within one year is £1,247,971 (2018 - £2,081,479) in respect of an invoice factoring facility. The company is financed through an overdraft, bank loan and an invoice factoring arrangement with HSBC. These facilities total £1,462,467 (2018 - £2,182,078) and are secured by a fixed charge over the debts purchased and fixed and floating charge debentures over the assets of the company.

13 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £140,677 (2018 - £72,828).

14 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>300</u>	<u>300</u>	<u>300</u>	<u>300</u>

15 Loans and borrowings

	2019 £	2018 £
Non-current loans and borrowings		
Finance lease liabilities	<u>-</u>	<u>592</u>

H & M Security Services Limited

Notes to the Financial Statements for the Year Ended 28 February 2019

	2019 £	2018 £
Current loans and borrowings		
Bank borrowings	-	50,703
Bank overdrafts	43,647	42,826
Finance lease liabilities	549	2,595
Other borrowings	1,247,971	2,081,479
	<u>1,292,167</u>	<u>2,177,603</u>

16 Commitment under operating leases

The total of future minimum lease payments is as follows:

	2019 £	2018 £
Not later than one year	29,000	29,000
Between two years to five years	29,000	58,000
	<u>58,000</u>	<u>87,000</u>

17 Related party transactions

Key management compensation

	2019 £	2018 £
Salaries and other short term employee benefits	17,500	21,500

Summary of transactions with key management

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.

	2019 £	2018 £
I Henderson	241,809	217,764
F McLintock	127,425	127,422
B Tuite	Nil	(4,971)

During the year dividends of £150,000 (2018 - £168,000) were declared and £150,000 (2018 - £150,000) was paid to I Henderson (a director). Personal expenditure totalling £24,045 (2018 - £16,598) was paid by the company.

At the year end the outstanding interest free loan amount due to the company was £241,809 (2018 - £217,764).

During the year dividends of £150,000 (2018 - £168,000) were declared and £150,000 (2018 - £150,000) was paid to F McLintock (a director). Personal expenditure totalling £3 (2018 - £14,958) was paid by the company. At the year end the outstanding interest free loan amount due to the company was £127,425 (2018 - £127,422).

H & M Security Services Limited

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During the year dividends of £150,000 (2018 - £168,000) were declared and £150,000 (2018 - £150,000) was paid to B Tuite (a director). Personal expenditure totalling £4,971 (2018 - £4,055) was paid by the company. At the year end the outstanding interest free loan amount due to B Tuite was - £ Nil (2018 - £4,971).

Loans of £0 (2018 - £7,599) to the company are guaranteed by the directors Mr Brian Tuite and Mr Frank McIntock.

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 £24,991 (2018 - £21,562) net of VAT during the year for accountancy services. At the balance sheet date the amount due to Tuite Tang Wong was £6,060 (2018 - £3,240)

H & M Security Services (Gibraltar) Limited

During the year, H & M Security Services Limited incurred expenses of £4,678 (2018 - £1,159) on behalf of H & M Security Services (Gibraltar) Limited, partially offset by a charge of £60,000 (2018-£120,000) in respect of business consultancy services provided by H&M Security Services (Gibraltar) Limited to H & M Security Services 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 £92,328 (2018 - £147,649)

18 Financial instruments

Categorisation of financial instruments

	2019	2018
	£	£
Financial assets that are debt instruments measured at amortised cost	2,650,100	3,713,902
Financial liabilities measured at amortised cost	<u>1,973,628</u>	<u>2,694,410</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors and directors' current account.

Financial liabilities measured at amortised cost comprise trade creditors, bank loans, other creditors, obligations under finance leases and hire purchase contracts, accruals and deferred income.

19 Controlling party

There was no controlling party in the years ended 28th February 2019 and 28th February 2018.