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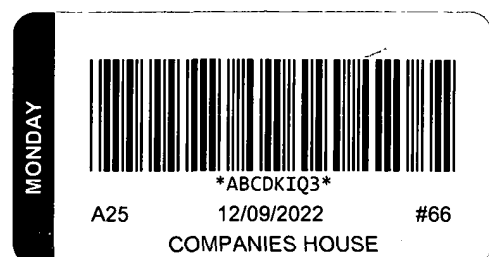
Registration number: 03922731

H & M Security Services Limited

Annual Report and Financial Statements

for the Year Ended 28 February 2022

Tuite Tang Wong
Chartered Certified Accountants & Registered Auditors
Alliance House
29-30 High Holborn
London
WC1V 6AZ



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
Accountants	Tuite Tang Wong Chartered Certified Accountants & Registered Auditors Alliance House 29-30 High Holborn London WC1V 6AZ
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 2022

The directors present their strategic report for H&M Security Services Limited ('the Company') for the year ended 28 February 2022.

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 increased by 19.0%. Gross profit margin has decreased from 14.8% to 13.0%.

The results for the company show a profit before tax of £141,090 (2021 - £62,320) for the year and turnover of £8,955,260 (2021 - £7,526,449). The company has net assets of £225,197 (2021 - £99,530). Net cash outflow from operating activities for 2022 was (£229,529) (2021 - outflow (£62,757)).

		Percentage	2022	2021
Growth / (reduction) in turnover	-	%	19.0	22.4
Margin	-	%	13.0	14.8

There has been an increase in turnover of 19.0%. New projects commenced in the year to 28th February 2022 which improved the company's profitability.

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 in-house 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 in-house 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 guarding. 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 2022

Principal risks and uncertainties

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

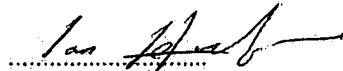
- Credit risk and bad debts;
- Loss of significant contract or customer;
- Non-compliance with applicable legislation and governance;
- Availability of capital to fund growth; and
- Macro-economic factors such as UK recession or interest rate rises.

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 30/08/2022 and signed on its behalf by:



I. Henderson
Director

H & M Security Services Limited

Directors' Report for the Year Ended 28 February 2022

The directors present their report together with the Strategic Report and the financial statements of the company for the year ended 28 February 2022.

Directors of the company

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

B. Tuite

I. Henderson

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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Reporting Standard applicable in the UK and Republic of Ireland'. 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 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.

Results and dividends

The results for the year are set out on page 10.

No ordinary dividends were paid in the year (2021 - £Nil). The directors do not recommend payment of a final dividend (2021 - £Nil)

H & M Security Services Limited

Directors' Report for the Year Ended 28 February 2022

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.

Impact of COVID-19

The directors have considered the impact of the current COVID - 19 pandemic on the company's business, with a particular focus on its effect on the company's clients, suppliers and employees.

The directors do not consider this to be a cause for material uncertainty in respect of the company's ability to continue as a going concern. The company has adapted well, successfully employing contingency plans, and the directors consider that the company has sufficient financial resources to continue for the foreseeable future, despite the current crisis.

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.

H & M Security Services Ltd

Directors' Report for the Year Ended 28 February 2022

Strategic Report information

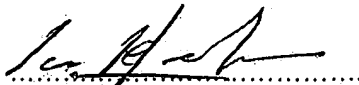
the following information has been included in the Strategic Report:

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

These accounts replace the original accounts. They are the statutory accounts and prepared as they were at the date of the original accounts.

The following statement 'These financial statements have been prepared in accordance with the special provisions relating to the companies subject to the small companies regime within Part 15 of the Companies Act 2006' was inadvertently included on the company balance sheet page 11 and is now removed.

Approved by the Board on 30/08/2022 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 revised financial statements of H&M Security Services Limited ('the Company') for the year ended 28 February 2022 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 revised 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). These revised financial statements replace the original financial statements approved by the directors on 5 August 2022.

The revised financial statements have been prepared in accordance with The Companies (Revision of Defective Accounts and Reports) Regulations 2008 and as such do not consider events which have taken place after the date on which the original financial statements were approved.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 February 2022 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 as they have effect under the Companies (Revision of Defective Accounts and Reports) Regulations 2008.

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 revised 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 revised 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Emphasis of matter – revision of financial statements

The financial statements have been revised to remove the statement 'These financial statements have been prepared in accordance with the special provisions relating to the companies subject to the small companies regime within Part 15 of the Companies Act 2006', which was inadvertently included on the company balance sheet on page 11 of the original financial statements. Our opinion is not modified in this respect.

H & M Security Services Limited

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report 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 4, 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.

H & M Security Services Limited

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements such as making assumptions on significant accounting estimates.

These procedures included, but were not limited to, 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, considering the effectiveness of the control environment and making enquiries of management.

We also addressed the risk of management override of internal controls, performing procedures including testing journals and evaluating whether there was evidence of a risk of material misstatement due to fraud. We identified and assessed the design effectiveness of controls management has in place, challenged assumptions and judgements made by management, investigated any large variances from the prior year and carried out randomised substantive testing.

We ensured that the financial statement disclosures agreed to underlying supporting documents and made enquiries of management as to any actual or potential litigation or claims.

There are inherent limitations in our audit procedures described above. Irregularities that result from fraud might be more difficult to detect than irregularities that result from error, or as they may involved deliberate concealment or collusion. The primary responsibility for the prevention and detection of irregularities including fraud rests with both those charged with governance and management. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

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: 30 August 2022

H & M Security Services Limited

Statement of Comprehensive Income for the Year Ended 28 February 2022

	Note	2022 £	2021 £
Turnover	3	8,955,260	7,526,449
Cost of sales		<u>(7,786,920)</u>	<u>(6,415,723)</u>
Gross profit		1,168,340	1,110,726
Administrative expenses		<u>(998,586)</u>	<u>(1,020,117)</u>
Operating profit	4	169,754	90,609
Interest payable and similar charges	5	<u>(28,664)</u>	<u>(28,289)</u>
Profit before tax		141,090	62,320
Taxation	8	<u>(15,423)</u>	<u>(11,532)</u>
Profit for the financial year		<u><u>125,667</u></u>	<u><u>50,788</u></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.

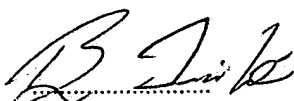
H & M Security Services Limited

(Registration number: 03922731)

Statement of Financial Position as at 28 February 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	9	196,607	64,671
Current assets			
Debtors	10	2,201,997	1,979,120
Cash at bank and in hand		<u>1,140</u>	<u>27,086</u>
		2,203,137	2,006,206
Creditors: Amounts falling due within one year	11	<u>(2,015,845)</u>	<u>(1,807,411)</u>
Net current assets		<u>187,292</u>	<u>198,795</u>
Net assets excluding pension asset/(liability)		<u>383,899</u>	<u>263,466</u>
Creditors: Amounts falling due after more than one year	11	<u>158,702</u>	<u>163,936</u>
Capital and Reserves			
Called up share capital	13	300	300
Share premium reserve		39,925	39,925
Profit and loss account		<u>184,972</u>	<u>59,305</u>
Net Assets		<u>225,197</u>	<u>99,530</u>
Total equity and long term liabilities		<u>383,899</u>	<u>263,466</u>

Approved and authorised by the Board on 30/08/2022 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 2022

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 March 2021	300	39,925	59,305	99,530
Profit for the year	-	-	125,667	125,667
At 28 February 2022	<u>300</u>	<u>39,925</u>	<u>184,972</u>	<u>225,197</u>

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 March 2020	300	39,925	8,517	48,742
Profit for the year	-	-	50,788	50,788
At 28 February 2021	<u>300</u>	<u>39,925</u>	<u>59,305</u>	<u>99,530</u>

The notes on pages 14 to 24 form an integral part of these financial statements.

H & M Security Services Limited

Statement of Cash Flows for the Year Ended 28 February 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Profit for the year		125,667	50,788
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	48,415	18,414
(Profit)/loss on disposal of tangible assets		(756)	859
Finance costs	5	28,664	28,289
Income tax expense	8	15,423	11,532
		217,413	109,882
Working capital adjustments			
Increase in trade debtors	10	(226,554)	(499,673)
(Decrease)/increase in trade creditors	11	(242,283)	327,034
Cash generated from operations		(251,424)	(62,757)
Income taxes received	8	21,895	-
Net cash flow from operating activities		(229,529)	(62,757)
Cash flows from investing activities			
Acquisitions of tangible assets		(86,604)	(32,997)
Proceeds from sale of tangible assets		756	25,192
Net cash flows from investing activities		(85,848)	(7,805)
Cash flows from financing activities			
Interest paid	5	(28,664)	(28,289)
Repayments of bank borrowing draw downs		(69,706)	209
Repayments of other borrowing draw downs		-	(31,307)
Proceeds from other borrowing		373,593	167,116
Payments to finance lease creditors		(22,188)	-
Net cash flows from financing activities		253,035	107,729
Net (decrease)/increase in cash and cash equivalents		(62,342)	37,167
Cash and cash equivalents at 1 March		27,086	(10,081)
Cash and cash equivalents at 28 February		(35,256)	27,086

The notes on pages 14 to 24 form an integral part of these financial statements.

H & M Security Services Limited

Notes to the Financial Statements for the Year Ended 28 February 2022

1 General information

The company is limited by shares and 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:

Connaught House
Broomhill Road
Woodford Green
Essex
IG8 0PY

These financial statements were authorised for issue by the Board on 30/08/2022

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.

The directors have considered the impact of the current COVID-19 pandemic on the company's business, with a particular focus on its effect on the company's clients, suppliers and employees.

The directors do not consider this to be a cause for material uncertainty in respect of the company's ability to continue as a going concern. The company has adapted well, successfully employing contingency plans, and the directors consider that the company has sufficient resources to continue for the foreseeable future, despite current crisis.

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.

H & M Security Services Limited

Notes to the Financial Statements for the Year Ended 28 February 2022

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.

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.

H & M Security Services Limited

Notes to the Financial Statements for the Year Ended 28 February 2022

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.

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.

Assets held under hire purchase are recognised as assets at cost at the purchase date. The related liability is included in the balance sheet as a hire purchase obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss.

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.

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.

H & M Security Services Limited

Notes to the Financial Statements for the Year Ended 28 February 2022

3 Turnover

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

	2022 £	2021 £
United Kingdom	8,955,260	7,521,536
Interest received	-	4,913
	<u>8,955,260</u>	<u>7,526,449</u>

4 Operating profit

The operating profit is stated after charging

	2022 £	2021 £
Depreciation expense	48,415	18,414
Operating lease rent	<u>27,500</u>	<u>27,500</u>

5 Interest payable and similar expenses

	2022 £	2021 £
Interest on bank overdrafts and borrowings	17,390	11,157
Interest on obligations under finance leases and hire purchase contracts	3,162	1,266
Interest expense on other finance liabilities	<u>8,112</u>	<u>15,866</u>
	<u>28,664</u>	<u>28,289</u>

6 Staff costs

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

	2022 £	2021 £
Wages and salaries	6,711,557	5,519,755
Social security costs	548,471	459,716
Pension costs, defined contribution scheme	82,696	73,689
Other employee expenses	<u>9,277</u>	<u>15,454</u>
	<u>7,352,001</u>	<u>6,068,614</u>

H & M Security Services Limited

Notes to the Financial Statements for the Year Ended 28 February 2022

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

	2022 No.	2021 No.
Administration and support	13	13
Other departments	260	218
	<u>273</u>	<u>231</u>

7 Auditors' remuneration

	2022 £	2021 £
Audit of the financial statements	<u>16,500</u>	<u>15,500</u>

8 Taxation

Tax charged/(credited) in the income statement

	2022 £	2021 £
Current taxation		
UK corporation tax for year ended 28 February 2022	22,109	11,532
UK corporation tax adjustment for previous years	<u>(6,686)</u>	<u>-</u>
	<u>15,423</u>	<u>11,532</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2021 - the same as the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £	2021 £
Profit before tax	<u>141,090</u>	<u>62,320</u>
Corporation tax at standard rate	26,807	11,841
Effect of expense not deductible in determining taxable profit (tax loss)	8,406	5,720
Tax decrease from effect of capital allowances	(13,104)	(6,029)
UK corporation tax adjustment for the year ended 28 February 2021	<u>(6,686)</u>	<u>-</u>
Total tax charge	<u>15,423</u>	<u>11,532</u>

H & M Security Services Limited

Notes to the Financial Statements for the Year Ended 28 February 2022

9 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation			
At 1 March 2021	220,989	50,153	271,142
Additions	<u>20,411</u>	<u>159,940</u>	<u>180,351</u>
At 28 February 2022	<u>241,400</u>	<u>210,093</u>	<u>451,493</u>
Depreciation			
At 1 March 2021	161,571	44,900	206,471
Charge for the year	<u>14,846</u>	<u>33,569</u>	<u>48,415</u>
At 28 February 2022	<u>176,417</u>	<u>78,469</u>	<u>254,886</u>
Carrying amount			
At 28 February 2022	<u>64,983</u>	<u>131,624</u>	<u>196,607</u>
At 28 February 2021	<u>59,418</u>	<u>5,253</u>	<u>64,671</u>

Finance Lease

Motor vehicles under hire purchase lease

	2022 £	2021 £
Cost	<u>93,747</u>	<u>-</u>
Deprecation on motor vehicles under hire purchase lease	<u>19,013</u>	<u>-</u>

H & M Security Services Limited

Notes to the Financial Statements for the Year Ended 28 February 2022

10 Debtors

		2022	2021
Current	Note	£	£
Trade debtors		1,593,247	1,422,834
Other debtors		373,316	405,177
Prepayments		31,780	36,807
Accrued income		203,654	110,625
Income tax asset	8	-	3,677
		<u>2,201,997</u>	<u>1,979,120</u>

11 Creditors

	Note	2022	2021
		£	£
Due within one year			
Bank borrowings	14	25,884	50,056
Bank overdrafts	14	36,396	-
HP and finance lease liabilities	14	31,259	-
Unsecured debentures	14	1,071,819	708,245
Other borrowings	14	18,027	8,008
Trade creditors		225,024	233,149
Social security and other taxes		267,502	536,276
Outstanding defined contribution pension costs		14,703	18,730
Other payables		2,761	1,721
Accrued expenses		288,829	251,226
Corporation Tax liability		<u>33,641</u>	<u>-</u>
		<u>2,015,845</u>	<u>1,807,411</u>
Due after one year			
Bounced back loan - over 1 year	14	39,770	49,216
Bank loan - secured	14	-	27,509
Shareholders loan - unsecured	14	78,632	87,211
HP and finance lease liability 1 (2-5 years)	14	<u>40,300</u>	<u>-</u>
		<u>158,702</u>	<u>163,936</u>

H & M Security Services Limited

Notes to the Financial Statements for the Year Ended 28 February 2022

Included within loans and borrowings due within one year is £1,071,819 (2021 - £708,245) 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 £1,270,528 (2021 - £785,026) and are secured by a fixed charge over the debts purchased and fixed and floating charge debentures over the assets of the company. The total outstanding hire purchase of £71,559 is secured against the company's motor vehicles.

12 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 £82,696 (2021 - £73,689).

H & M Security Services Limited

Notes to the Financial Statements for the Year Ended 28 February 2022

13 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	<u>300</u>	<u>300</u>	<u>300</u>	<u>300</u>

14 Loans and borrowings

	2022 £	2021 £
Current loans and borrowings		
Bank loan - under 1 year	25,884	49,272
Bounced back loan - under 1 year	-	784
Shareholder loan - unsecured	18,027	8,008
Bank overdrafts	36,396	-
HP and finance lease liabilities	31,259	-
Amounts due in respect of factored receivables	<u>1,071,819</u>	<u>708,245</u>
	<u>1,183,385</u>	<u>766,309</u>
	2022 £	2021 £
Non-current loans and borrowings		
Bounced back loan - over 1 year	39,770	49,216
Bank loan - secured	-	27,509
Shareholders loan - unsecured	78,632	87,211
HP and finance lease liabilities	<u>40,300</u>	<u>-</u>
	<u>158,702</u>	<u>163,936</u>
	2022 £	2021 £
Wholly within five years	1,304,331	874,438
Shareholders loan more than five years - unsecured	<u>37,756</u>	<u>55,807</u>
	<u>1,342,087</u>	<u>930,245</u>

Bank borrowing is at the following rates over Bank of England base rate, factoring facility 2.5%, bank loan 3.5%, bounce back loan 2.5% and overdraft 5.8%. The shareholders loan is at 6.9%.

H & M Security Services Limited

Notes to the Financial Statements for the Year Ended 28 February 2022

15 Commitment under operating leases

The total of future minimum lease payments is as follows:

	2022 £	2021 £
Not later than one year	27,500	27,500
Between two years to five years	75,625	103,125
	<u>103,125</u>	<u>130,625</u>

16 Related party transactions

Key management compensation

	2022 £	2021 £
Salaries and other short term employee benefits	<u>137,259</u>	<u>105,612</u>

Summary of transactions with key management

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.

	2022 £	2021 £
I Henderson	264,601	256,705
B Tuite	12,606	11,508

During the year no dividend was declared (2021 - £Nil) and nothing was paid to I Henderson (a director) (2021 - £Nil). Personal expenditure totalling £7,895 (2021 - £5,588) was paid by the company.

At the year end the outstanding interest free loan amount due to the company was £264,601 (2021 - £256,705).

During the year no dividend was declared (2021 - £Nil) and nothing was paid to B Tuite (a director) (2021 - £Nil). Personal expenditure totalling £1,098 (2021 - £Nil) was paid by the company.

At the year end the outstanding interest free loan amount due to the company was £12,606 (2021 - £11,508).

A loan £87,211 (2021 - £95,219) at an interest rate of 6.9% per annum is outstanding to B Tuite. The total interest charged for the year ended 28 February 2022 was £6,336 (2021 - £6,294).

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 £21,299 (2021 - £21,498) net of VAT during the year for accountancy services. At the balance sheet date the amount due to Tuite Tang Wong was £6,288 (2021 - £7,924).

H&M Security Services (Gibraltar) Limited

During the year, H&M Security Services Limited incurred expenses of £3,008 (2021 - £3,373) on behalf of H&M Security Services (Gibraltar) Limited. H&M Security Services (Gibraltar) Limited provided business consultancy services of £Nil (2021 - £60,000) 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 £Nil (2021 - £21,377).

H & M Security Services Limited

Notes to the Financial Statements for the Year Ended 28 February 2022

17 Parent and ultimate parent undertaking

There was no controlling party in the years ended 28th February 2022 and 28th February 2021.