

**H & M SECURITY SERVICES LTD
STRATEGIC REPORT, DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023**

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COMPANIES HOUSE

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

H & M Security Services Ltd
Strategic Report, Directors' Report and Financial Statements
For The Year Ended 28 February 2023

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H & M Security Services Ltd
Company Information
For The Year Ended 28 February 2023

Directors	I Henderson B Tuite
Company Number	03922731
Business Trading Address	Connaught House Broomhill Road Woodford Green Essex IG8 0XR
Registered Office	Alliance House 29-30 High Holborn London WC1V 6AZ
Accountants	Tuite Tang Wong Chartered Certified Accountants Alliance House 29-30 High Holborn London WC1V 6AZ
Auditors	Buzzacott LLP Chartered Accountants and Registered Auditor 130 Wood Street London EC2V 6DL

H & M Security Services Ltd
Strategic Report
For The Year Ended 28 February 2023

The directors present their strategic report for H & M Security Services Ltd ('the company') for the year ended 28 February 2023.

Principal Activity

The company's principal activity continues to be that of security services and building management.

Review of the Business

The turnover of the Company in the year decreased by 25.5%. Gross profit margin has decreased from 13.0% to 12.6%.

The results for the company show a (loss) before tax of (£41,641) (2022 profit of - £141,090) for the year and turnover of £6,666,695 (2022 - £8,955,260). The company has net assets of £185,295 (2022 - £225,197). Net cash inflow from operating activities for 2023 was £544,831 (2022 - outflow (£253,035)).

There has been a decrease in turnover of 25.5% as a result of a delay in the commencement date of major projects.

	2023	2022
(Reduction)/Growth in Turnover	(25.5%)	19.0%
Margin	12.6%	13.0%

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 Ltd
Strategic Report (continued)
For The Year Ended 28 February 2023**

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 expect 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 and authorised by the Board and signed on its behalf by:



I Henderson
Director

Date 28/11/23

H & M Security Services Ltd
Company No. 03922731
Directors' Report For The Year Ended 28 February 2023

The directors present their report and the financial statements of H & M Security Services Ltd ('the company') for the year ended 28 February 2023.

Directors

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

I Henderson

B Tuite

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, 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, comprising FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', 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 the financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS102, have been followed subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that 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 11.

No ordinary dividends were paid in the year (2022 - £Nil). The directors do not recommend payment of a final dividend (2022 - £Nil)

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 special provisions of S418 of the Companies Act 2006.

**H & M Security Services Ltd
Directors' Report (continued)
For The Year Ended 28 February 2023**

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



I Henderson
Director

Date 28/11/23

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

Opinion

We have audited the financial statements of H & M Security Services Ltd ('the company') for the year ended 28 February 2023 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes of Equity, Statement of Cash Flows and the related notes to the statement of cash flows, 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2023 and of its loss 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

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 entity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are 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.

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. 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 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.

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

Independent Auditor's Report (continued)
to the Members of
H & M Security Services Ltd

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, 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 or 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 set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

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.

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we made enquiries of management as to where they considered there was susceptibility to fraud, and their knowledge of actual, suspected and alleged fraud;
- we identified the laws and regulations that could reasonably be expected to have a material effect on the financial statements of the company through discussions at the planning stage;
- the audit team held a discussion to identify any particular areas that were considered to be susceptible to misstatement, including with respect to fraud and non-compliance with laws and regulations; and
- we focused our planned audit work on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company including the Companies Act 2006, employment legislation and taxation legislation.

We assessed the extent of compliance with the laws and regulations identified above through:

- inspecting legal expenditure and correspondence throughout the year for any potential litigation or claims; and
- considering the internal controls in place that are designed to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- determined the susceptibility of the company to management override of controls by checking the implementation of controls and enquiring of individuals involved in the financial reporting process;
- reviewed journal entries at the year end to identify unusual transactions, particularly in relation to expenditure;
- performed analytical procedures to identify any large, unusual or unexpected transactions;
- reviewed accounting estimates and evaluated where judgements or decisions made by management indicated bias on the part of the company's management;
- tested the completeness of turnover through obtaining information from outside the accounting system and substantively tested this information to ensure the turnover is accurately included in the financial statements. Any material variances to expectations were investigated; and
- carried out substantive testing to check the occurrence and cut-off of expenditure.

Independent Auditor's Report (continued)
to the Members of
H & M Security Services Ltd

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included:

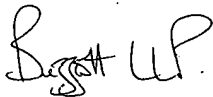
- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website 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 that 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 28 November 2023

H & M Security Services Ltd
Statement of Comprehensive Income
For The Year Ended 28 February 2023

	Notes	2023 £	2022 £
TURNOVER	3	6,666,695	8,955,260
Cost of sales		(5,829,943)	(7,786,920)
GROSS PROFIT		836,752	1,168,340
Administrative expenses		(838,598)	(998,586)
OPERATING (LOSS)/PROFIT	4	(1,846)	169,754
Interest payable and similar charges	8	(39,795)	(28,664)
(LOSS)/PROFIT BEFORE TAXATION		(41,641)	141,090
Taxation on (credit)/charges	9	1,739	(15,423)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(39,902)	125,667

The above results were derived from continuing operations.

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

The notes on pages 13 to 20 form part of these financial statements.

H & M Security Services Ltd
(Registration Number: 03922731)
Statement of Financial Position as at 28 February 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Tangible Assets	10	<u>147,107</u>	<u>196,607</u>
		147,107	196,607
CURRENT ASSETS			
Debtors	11	1,781,367	2,201,997
Cash at bank and in hand		<u>2,082</u>	<u>1,140</u>
		1,783,449	2,203,137
Creditors: Amounts Falling Due Within One Year	12	<u>(1,636,867)</u>	<u>(2,015,845)</u>
NET CURRENT ASSETS (LIABILITIES)		<u>146,582</u>	<u>187,292</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>293,689</u>	<u>383,899</u>
Creditors: Amounts Falling Due After More Than One Year	13	<u>(108,394)</u>	<u>(158,702)</u>
CAPITAL AND RESERVES			
Called up share capital	14	300	300
Share premium account		39,925	39,925
Profit and Loss Account		<u>145,070</u>	<u>184,972</u>
SHAREHOLDERS' FUNDS		<u>185,295</u>	<u>225,197</u>
Total equity and long term liabilities		<u>293,689</u>	<u>383,899</u>

The financial statements were approved and authorised by the Board and signed on its behalf by

B Tuite
Director

Date 28/11/23

The notes on pages 13 to 20 form part of these financial statements.

H & M Security Services Ltd
Statement of Changes in Equity
For The Year Ended 28 February 2023

	Share Capital	Share Premium	Profit and Loss Account	Total
	£	£	£	£
As at 1 March 2021	300	39,925	59,305	99,530
Profit for the year	-	-	125,667	125,667
As at 28 February 2022 and 1 March 2022	300	39,925	184,972	225,197
Loss for the year	-	-	(39,902)	(39,902)
As at 28 February 2023	300	39,925	145,070	185,295

The notes on pages 13 to 20 form part of these financial statements.

H & M Security Services Ltd
Statement of Cash Flows
For The Year Ended 28 February 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Net cash generated from/(used in) operations	1	599,373	(251,423)
Tax (paid)/refunded		(11,532)	21,894
Net cash generated from/(used in) operating activities		<u>587,841</u>	<u>(229,529)</u>
Cash flows from investing activities			
Purchase of tangible assets		(5,671)	(86,604)
Proceeds from disposal of tangible assets		-	755
Net cash used in investing activities		<u>(5,671)</u>	<u>(85,849)</u>
Cash flows from financing activities			
Repayment of bank borrowings		(44,601)	(69,706)
Proceeds from new other loans		-	373,593
Repayment of other loans		(429,175)	-
Repayment of finance leases		(31,260)	(22,188)
Interest paid		(39,795)	(28,664)
Net cash (used in)/generated from financing activities		<u>(544,831)</u>	<u>253,035</u>
Increase/(decrease) in cash and cash equivalents		37,339	(62,343)
Cash and cash equivalents at beginning of year	2	(35,257)	27,086
Cash and cash equivalents at end of year	2	<u><u>2,082</u></u>	<u><u>(35,257)</u></u>

The notes on pages 13 to 20 form part of these financial statements.

H & M Security Services Ltd
Notes to Statement of Cash Flows
For The Year Ended 28 February 2023

1. Reconciliation of (loss)/profit for the financial year to cash generated from/(used in) operations

	2023	2022
	£	£
(Loss)/profit for the financial year	(39,902)	125,667
Adjustments for:		
Tax on (loss)/profit	(1,739)	15,423
Interest expense	39,795	28,664
Depreciation of tangible assets	55,171	48,414
Loss on disposal of tangible assets	-	(755)
Movements in working capital:		
Decrease/(increase) in trade and other debtors	420,630	(226,554)
Increase/(decrease) in trade and other creditors	125,418	(242,282)
Net cash generated from/(used in) operations	<u>599,373</u>	<u>(251,423)</u>

2. Cash and cash equivalents

Cash and cash equivalents, as stated in the Cash Flows Statement, relates to the following items in the Balance Sheet:

	2023	2022
	£	£
Cash at bank and in hand	2,082	1,140
Overdraft facilities repayable on demand	-	(36,397)
Cash and cash equivalents as stated in the Statement of Cash Flows	<u>2,082</u>	<u>(35,257)</u>

3. Analysis of changes in net debt

	As at 1 March 2022	Cash flows	As at 28 February 2023
	£	£	£
Cash at bank and in hand	1,140	942	2,082
Overdraft facilities repayable on demand	(36,397)	36,397	-
Cash and cash equivalents	<u>(35,257)</u>	<u>37,339</u>	<u>2,082</u>
Finance leases	(71,559)	31,260	(40,299)
Debts falling due within one year	(1,115,730)	454,727	(661,003)
Debts falling due after more than one year	(118,402)	19,049	(99,353)
	<u>(1,340,948)</u>	<u>542,375</u>	<u>(798,573)</u>

H & M Security Services Ltd
Notes to the Financial Statements
For The Year Ended 28 February 2023

1. General Information

H & M Security Services Ltd is a private company, limited by shares, incorporated in England & Wales, registered number 03922731. The registered office is Alliance House, 29-30 High Holborn, London, WC1V 6AZ.

2. Accounting Policies

2.1. Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

2.2. Significant judgements and estimations

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.

2.3. Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover is reduced for estimated customer returns, rebates and other similar allowances.

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.

2.4. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & Machinery	See below:
Motor Vehicles	25% on straight line basis
Fixtures & Fittings	20% on written down value
Computer Equipment	20% on written down value

2.5. Leases

Assets obtained under finance leases are capitalised as tangible fixed assets. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives. Assets acquired under hire purchase contracts are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in the 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 applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

2.6. Cash and Cash Equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks, other short-term highly liquid investments that mature in no more than three months from the date of acquisition and are readily convertible to a known amount of cash with insignificant risk of change in value, and bank overdrafts.

H & M Security Services Ltd
Notes to the Financial Statements (continued)
For The Year Ended 28 February 2023

2.7. Taxation

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.

2.8. Pensions

The company operates a defined pension contribution scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

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 obligations 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.

2.9. 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.

2.10. 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 at the transaction price.

2.11. 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.

3. Turnover

The whole of turnover is attributable to the principal activity of the company.

Analysis of turnover by geographical market is as follows:

	2023	2022
	£	£
United Kingdom	6,666,695	8,955,260
	<u>6,666,695</u>	<u>8,955,260</u>

H & M Security Services Ltd
Notes to the Financial Statements (continued)
For The Year Ended 28 February 2023

4. Operating (Loss)/profit

The operating ((loss)/profit)/profit is stated after charging:

	2023	2022
	£	£
Operating lease rentals	27,500	27,500
Depreciation of tangible fixed assets	55,171	48,414
Profit on disposal of tangible fixed assets	-	(755)
	<u> </u>	<u> </u>

5. Auditor's Remuneration

Fee payable to the company's auditors and their associates during the year was as follows:

	2023	2022
	£	£
Audit Services		
Audit of the company's financial statements	19,000	16,500
	<u> </u>	<u> </u>

6. Staff Costs

Staff costs, including directors' remuneration, were as follows:

	2023	2022
	£	£
Wages and salaries	4,483,140	6,711,558
Social security costs	425,300	548,471
Other pension costs	58,532	82,696
	<u>4,966,972</u>	<u>7,342,725</u>

7. Average Number of Employees

Average number of employees, including directors, during the year was as follows:

	2023	2022
	No.	No.
Office and administration	13	13
Security guards	170	260
	<u>183</u>	<u>273</u>

8. Interest Payable and Similar Charges

	2023	2022
	£	£
Bank interest payable	27,232	17,389
Bank loan interest	8,003	8,113
Other finance charges	4,560	3,162
	<u>39,795</u>	<u>28,664</u>

H & M Security Services Ltd
Notes to the Financial Statements (continued)
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9. Tax on Profit

The tax (credit)/charge on the (loss)/profit for the year was as follows:

	2023	Tax Rate	2022	2023	2022
				£	£
Current tax					
UK Corporation Tax	19.0%		19.0%	(1,739)	22,109
Prior period adjustment				-	(6,686)
				<u>(1,739)</u>	<u>15,423</u>
Total tax charge for the period				<u>(1,739)</u>	<u>15,423</u>

The tax assessed for the year is higher than (2022-lower than) the standard rate of corporation tax in the U.K. of 19% (2022-19%). The differences are explained below:

	2023	2022
	£	£
Profit before tax	(41,641)	141,090
Tax on profit at 19% (UK standard rate)	(7,912)	26,807
Expenses not deductible for tax purposes	10,482	8,406
Capital allowances	(4,309)	(13,104)
Prior period adjustment	-	(6,686)
Total tax charge for the period	<u>(1,739)</u>	<u>15,423</u>

Factors that may affect future tax charges

The corporation tax rate at 1 March 2022 was 19%. With effect from 1 April 2023, the rate of corporation tax increased, tapering from 19% for businesses with profits of less than £50,000 to 25% for business with profits over £250,000.

10. Tangible Assets

	Plant & Machinery	Motor Vehicles	Total
	£	£	£
Cost			
As at 1 March 2022	241,400	210,093	451,493
Additions	5,671	-	5,671
Disposals	(161,418)	(50,151)	(211,569)
As at 28 February 2023	<u>85,653</u>	<u>159,942</u>	<u>245,595</u>
Depreciation			
As at 1 March 2022	176,418	78,468	254,886
Provided during the period	13,838	41,333	55,171
Disposals	(161,418)	(50,151)	(211,569)
As at 28 February 2023	<u>28,838</u>	<u>69,650</u>	<u>98,488</u>
Net Book Value			
As at 28 February 2023	<u>56,815</u>	<u>90,292</u>	<u>147,107</u>
As at 1 March 2022	<u>64,982</u>	<u>131,625</u>	<u>196,607</u>

H & M Security Services Ltd
Notes to the Financial Statements (continued)
For The Year Ended 28 February 2023

Motor vehicles under hire purchase	2023	2022
	£	£
Net book value	55,053	74,734
Depreciation charged in year	24,686	19,013
	<u><u> </u></u>	<u><u> </u></u>

11. Debtors

	2023	2022
	£	£
Due within one year		
Trade debtors	1,323,388	1,593,247
Prepayments and accrued income	85,900	235,433
Other debtors	372,079	373,317
	<u><u>1,781,367</u></u>	<u><u>2,201,997</u></u>

12. Creditors: Amounts Falling Due Within One Year

	2023	2022
	£	£
Net obligations under finance leases	31,258	31,259
Trade creditors	293,406	225,024
Bank loans and overdrafts	9,780	71,729
Other loans	651,223	1,080,398
Corporation tax	20,369	33,640
Other taxes and social security	235,522	103,463
VAT	169,634	164,039
Net wages	8,172	2,761
Defined contribution pension costs	13,694	14,703
Accruals and deferred income	203,809	288,829
	<u><u>1,636,867</u></u>	<u><u>2,015,845</u></u>

13. Creditors: Amounts Falling Due After More Than One Year

	2023	2022
	£	£
Net obligations under finance leases	9,041	40,300
Bank loans	29,911	39,770
Other loans	69,442	78,632
	<u><u>108,394</u></u>	<u><u>158,702</u></u>

The total outstanding hire purchase of £40,299 (2022 - £71,559) is secured against the company's motor vehicles.

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Bank and other Loans

Current bank loan and other loans	2023	2022
	£	£
Bank loan-secured	9,780	25,883
Shareholder loan-unsecured	9,190	18,027
Bank overdrafts-secured	-	36,397
HP and finance lease liabilities-secured	31,258	31,259
Amounts due in respect of factored receivables-secured	642,033	1,071,819
	<u>692,261</u>	<u>1,183,385</u>

Non-current bank and other loans	2023	2022
	£	£
Bounce back loan-secured	29,911	39,770
Loan from a shareholder-unsecured	69,442	78,632
HP and finance lease liabilities-secured	9,041	40,300
	<u>108,394</u>	<u>158,702</u>

	2023	2022
	£	£
Wholly within five years	776,046	1,304,331
Shareholder's loan more than five years-unsecured	24,609	37,756
	<u>800,655</u>	<u>1,342,087</u>

Included within Other loans and borrowings due within one year is £642,033 (2022 - £1,071,819) 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 £681,724 (2022 - £1,270,258) and are secured by a fixed charge over the debts purchased and fixed and floating charge debentures over the assets of the company.

The unsecured shareholder loans due in more and less than one year are recorded as other loans within the creditors note.

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 4.0%. The shareholder's loan is at 6.9%.

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Notes to the Financial Statements (continued)
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14. Share Capital

	2023	2022
	£	£
Allotted, called up and fully paid		
300 Ordinary Shares of £ 1.00 each	300	300

15. Other Commitments

The total of future minimum lease payments under non-cancellable operating leases are as following:

	2023	2022
	£	£
Not later than one year	27,500	27,500
Later than one year and not later than five years	48,125	75,625
	75,625	103,125

16. Pension Commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

During the year the charge to profit or loss in respect of defined contribution schemes was £58,532 (2022: £82,696).

At the balance sheet date contributions of £13,694 (2022: £12,996) were due to the fund and are included in creditors.

17. Related Party Disclosures

Key management personnel (including directors) received compensation of £150,000 (2022: £137,259)

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.

	2023	2022
	£	£
I Henderson	269,501	264,601
B Tuite	14,657	12,407

During the year, no dividend was declared (2022 - £Nil) and nothing was paid to I Henderson (a director) (2022 - £Nil). Personal expenditure totalling £4,900 (2022 - £7,895) was paid by the company.

At the year end, the outstanding interest free loan amount due to the company was £269,501 (2022 - £264,601).

During the year, no dividend was declared (2022 - £Nil) and nothing was paid to B Tuite (a director) (2022 - £Nil). Personal expenditure totalling £2,250 (2022 - £1,098) was paid by the company.

A loan of £78,632 (2022 - £87,211) at an interest rate of 6.9% per annum is outstanding to B Tuite. The total interest charged for the year ended 28 February 2023 was £5,750 (2022 - £6,336).

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 £22,715 (2022 - £21,229) net of VAT during the year for accountancy services. At the balance sheet date the amount due to Tuite Tang Wong was £6,234 (2022 - £6,288).

18. Controlling Parties

There was no controlling party in the years ended 28th February 2023 and 28th February 2022.