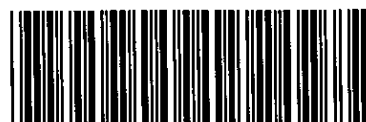


Insec-G Limited  
Directors' Report and Consolidated Accounts  
31 December 2012

TUESDAY



\*A2H2J1RM\*

A29

17/09/2013

#191

COMPANIES HOUSE

**Insec-G Limited**  
**Report and accounts**  
**Contents**

	<b>Page</b>
Directors' report	1 - 2
Independent auditors' report	3 - 4
Consolidated Profit and loss account	5
Consolidated Balance sheet	6
Company Balance sheet	7
Cash flow statement	8
Notes to the accounts	9 - 17

**Insec-G Limited****Registered number:****04329790****Directors' Report**

The directors present their report and accounts for the year ended 31 December 2012

**Principal activities**

The company's principal activity during the year continued to be property investment and management

**Results and dividends**

The group's loss for the year before taxation amounted to £193,404 (2011 Profit £184,335) and this was transferred to reserves

The directors do not recommend payment of a final dividend

**Review of the business and future developments**

The directors consider the level of business and the financial position at the year end to be disappointing. The group had undertaken tax planning arrangements in prior years, which have subsequently been challenged by H M Revenue & Customs. This is expected to give rise to a potential tax liability and interest charge of £6,439,224 should the outcome be adverse, and therefore full provision of this amount was made in the accounts for the prior years.

The principal risks facing a property management company are

- 1) A rise in recovery levels
- 2) Late payment of management fees

The directors will continue to ensure that it manages its cashflow and costs in this uncertain market

**Key performance indicators (KPI)**

The directors are of the opinion that given the nature of this business, KPI's are not necessary

**Financial instruments**

The group's principal financial instruments comprise bank balances, loans to related companies, other debtors and other creditors. These instruments finance the group's operations. The banks overdraft facilities are secured by charges over the group's assets. Loans to related companies and other debtors are managed in respect of credit and cash flow by regular monitoring. Other creditors' liquidity risk is managed by assuring sufficient funds are available to meet amounts due.

**Directors**

The following persons served as directors during the year

T S Cole  
N W H Lax  
M N Steinberg

**Directors' responsibilities**

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations

**Insec-G Limited****Registered number:****04329790****Directors' Report**

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts 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 accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statement, and
- prepare the accounts 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 accounts 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 auditors**

Each person who was a director at the time this report was approved confirms that

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

**Auditors**

A resolution to reappoint J B Klein & Partners as auditors will be put to the members at the Annual General Meeting

This report was approved by the board on 30 August 2013 and signed on its behalf



M N Steinberg  
Director

**Insec-G Limited**  
**Independent auditors' report**  
**to the shareholders of Insec-G Limited**

We have audited the accounts of Insec-G Limited for the year ended 31 December 2012 which comprise the consolidated Profit and Loss Account, the consolidated Balance Sheet, the company Balance Sheet, the consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard For Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the accounts**

An audit involves 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, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, and the overall presentation of the financial statements.

**Opinion on the accounts**

In our opinion the accounts

- give a true and fair view of the state of the groups affairs as at 31 December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Fundamental Uncertainty - Going Concern**

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements, concerning the possible outcome of the tax planning case against HM Revenue & Customs. The future settlement could result in substantial additional liabilities which would have a serious impact on the continuity of the business. These circumstances indicate the existence of a material uncertainty which may cast significant doubt about the group's ability to continue as a going concern. The financial statements include full provision for these additional liabilities.

Details of the circumstances relating to this fundamental uncertainty are described in Note 19. Our opinion is not qualified in this respect.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

**Insec-G Limited**  
**Independent auditors' report**  
**to the shareholders of Insec-G Limited**

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the accounts 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, or
- the directors were not entitled to prepare the accounts and the directors' report in accordance with the small companies regime



Raju Patel  
(Senior Statutory Auditor)  
for and on behalf of  
JB Klein & Partners  
Chartered Certified Accountant & Statutory Auditor

3rd Floor  
107-109 Great Portland Street  
London  
W1W 6QG

30/08/2013

**Insec-G Limited**  
**Consolidated Profit and Loss Account**  
**for the year ended 31 December 2012**

	Notes	2012 £	2011 £
Turnover	2	851,011	1,613,503
Cost of sales	3	-	(1,430)
<b>Gross profit</b>		<u>851,011</u>	<u>1,612,073</u>
Administrative expenses		(1,098,576)	(1,158,177)
<b>Operating (loss)/profit</b>	5	<u>(247,565)</u>	<u>453,896</u>
Exceptional items loss on the disposal of tangible fixed assets		(15,277)	-
		<u>(262,842)</u>	<u>453,896</u>
Interest receivable		4,285	2,411
Interest payable	6	(169)	(226,734)
Contributions from/(due to) joint venturers		65,322	(45,238)
<b>(Loss)/profit on ordinary activities before taxation</b>		<u>(193,404)</u>	<u>184,335</u>
Tax on (loss)/profit on ordinary activities	7	-	-
Minority interest		4,626	1,517
<b>(Loss)/profit for the financial year</b>	15	<u>(188,778)</u>	<u>185,852</u>

**Continuing operations**

None of the company's activities were acquired or discontinued during the above two financial

**Statement of total recognised gains and losses**

The company has no recognised gains or losses other than the profit for the above two financial years

The notes on pages 9 to 17 form part of these financial statements

**Insec-G Limited**  
**Consolidated Balance Sheet**  
**as at 31 December 2012**

	Notes	2012 £	2011 £
<b>Fixed assets</b>			
Intangible assets	8	-	603
Tangible assets	9	41,235	58,367
		<u>41,235</u>	<u>58,970</u>
<b>Current assets</b>			
Debtors	11	1,105,304	1,318,870
Cash at bank and in hand		71,136	46,444
		<u>1,176,440</u>	<u>1,365,314</u>
<b>Creditors: amounts falling due within one year</b>	12	(12,422,758)	(12,435,929)
<b>Net current liabilities</b>		<u>(11,246,318)</u>	<u>(11,070,615)</u>
<b>Total assets less current liabilities</b>		<u>(11,205,083)</u>	<u>(11,011,645)</u>
<b>Equity minority interest</b>		3,205	(1,455)
<b>Net liabilities</b>		<u>(11,201,878)</u>	<u>(11,013,100)</u>
<b>Capital and reserves</b>			
Called up share capital	13	11,897,504	11,897,504
Other reserves	14	965,834	965,834
Profit and loss account	15	(24,065,216)	(23,876,438)
<b>Shareholders' funds</b>		<u>(11,201,878)</u>	<u>(11,013,100)</u>

These financial statements were approved by the Board of directors on 30 August 2013

Signed on behalf of the Board of Directors



N W H Lax  
Director



M N Steinberg  
Director

Registered number 04721084


The notes on pages 9 to 17 form part of these financial statements



**Insec-G Limited**  
**Company Balance Sheet**  
**as at 31 December 2012**


	Notes	2012 £	2011 £
<b>Fixed assets</b>			
Investments	10	<u>21,490</u>	<u>21,490</u>
		21,490	21,490
<b>Current assets</b>			
Debtors	11	1,120,715	1,119,564
Cash at bank and in hand		<u>1,846</u>	<u>358</u>
		1,122,561	1,119,922
<b>Creditors: amounts falling due within one year</b>	12	<u>(5,882,818)</u>	<u>(5,760,438)</u>
<b>Net current liabilities</b>		(4,760,257)	(4,640,516)
<b>Net liabilities</b>		<u>(4,738,767)</u>	<u>(4,619,026)</u>
<b>Capital and reserves</b>			
Called up share capital	13	11,897,504	11,897,504
Other reserves	14	965,834	965,834
Profit and loss account	15	(17,602,105)	(17,482,364)
<b>Shareholders' funds</b>		<u>(4,738,767)</u>	<u>(4,619,026)</u>

These financial statements were approved by the Board of directors on 30 August 2013  
Signed on behalf of the Board of Directors



N W H Lax  
Director

Approved by the board on 30 August 2013



M N Steinberg  
Director

Registered number 04721084

The notes on pages 9 to 17 form part of these financial statements

**Insec-G Limited**  
**Cash Flow Statement**  
**for the year ended 31 December 2012**

	<b>Notes</b>	<b>2012 £</b>	<b>2011 £</b>
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating (loss)/profit		(247,565)	453,896
Depreciation and amortisation		6,013	7,193
Decrease in debtors		213,566	5,954
Decrease in creditors		(2,763)	(619,496)
Increase in minority interests		(4,660)	(1,584)
<b>Net cash inflow from operating activities</b>		<b>(35,409)</b>	<b>(154,037)</b>
<b>CASH FLOW STATEMENT</b>			
<b>Net cash outflow from operating activities</b>		<b>(35,409)</b>	<b>(154,037)</b>
<b>Returns on investments and servicing of finance</b>	17	69,438	(269,561)
<b>Taxation</b>		-	-
<b>Capital expenditure</b>	17	(3,555)	1,458
<b>Minority interest</b>		4,626	1,517
		<b>35,100</b>	<b>(420,623)</b>
<b>Equity dividends paid</b>		-	-
<b>Management of liquid resources</b>	17	-	-
<b>Financing</b>	17	-	-
<b>Increase/(decrease) in cash</b>		<b>35,100</b>	<b>(420,623)</b>
<b>Reconciliation of net cash flow to movement in net debt</b>			
<b>Increase in cash in the period</b>		35,100	(420,623)
<b>Change in net debt</b>		35,100	(420,623)
<b>Net funds at 1 January</b>		36,036	456,659
<b>Net funds at 31 December</b>		<b>71,136</b>	<b>36,036</b>

**Insec-G Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2012**

**1 Accounting policies**

***Basis of preparation***

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

***Consolidated accounts***

The consolidated financial statements of the group incorporate the assets and liabilities of the company and its subsidiary undertakings (whose accounts have been made up to 31 December 2012 and the results for the period when the subsidiaries were part of the group. Results of subsidiary companies acquired during the period are included from the date of acquisition. Results of subsidiary companies disposed of during the period are included up to the date of disposal.

***Company accounts***

As permitted by Section 408 of the Companies Act 2006 a separate profit and loss account is not presented for the company. The company's retained profit for the year is disclosed in note 15.

***Turnover***

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

***Recognition of profits***

Purchases and sales of properties are accounted for as follows:

Investment properties	upon exchange of unconditional contracts
Trading properties	upon completion of contracts,
Ground rents and similar interest	upon receipt of cash

***Depreciation***

Depreciation is calculated as to write off the cost less estimated residual value of fixtures, fittings and equipment by equal instalments over their estimated useful life of 5 years.

***Deferred taxation***

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes. Deferred taxation is calculated on an un-discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse.

***Goodwill***

Goodwill arising on consolidation is written off in equal installments over 10 years.

**Insec-G Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2012**

**Properties**

Investment properties and properties in the course of development for investment purposes are included in the balance sheet at their open market value at the balance sheet date on the basis of an annual professional valuation. Aggregate surpluses or deficits arising on valuation are transferred to a revaluation reserve. Impairment in the value of properties to below their carrying values are charged directly to the profit and loss account.

Additions to investment properties include only costs of a capital nature and certain refurbishment expenditure. Costs such as interest and other property outgoings are treated as revenue expenditure and written off as incurred.

Additions to development properties include the cost of finance charges gross of taxation less any income attributable to the property. For this purpose, the interest rate is either the actual rate payable on specific borrowings to fund the project or, if financed out of general funds, the average interest payable on borrowings in the year, excluding the debenture which funds investment properties.

Development properties are treated as complete and are transferred to investment properties at the earliest of

- a the date when income exceeds outgoings, other than development costs,
- b the date when the property is substantially let and income producing, or
- c the practical completion

<b>2 Turnover</b>	<b>2012</b>	<b>2011</b>
Fees receivable	<u>851,011</u>	<u>1,613,503</u>
All activity is carried out within the European Union		
<b>3 Cost of sales</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Direct property costs	<u>-</u>	<u>1,430</u>
<b>4 Staff costs</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Wages and salaries	92,750	124,162
Directors' emoluments	-	80,773
Social security costs (including directors)	<u>12,232</u>	<u>26,850</u>
	<u>104,982</u>	<u>231,785</u>
	<b>2012</b>	<b>2011</b>
	<b>Number</b>	<b>Number</b>
Directors' emoluments, excluding pension contributions, fell within the following ranges		
£80,001 - £85,0000	<u>-</u>	<u>1</u>

**Insec-G Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2012**

<b>5 Operating (loss)/profit</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
This is stated after charging		
Depreciation of owned fixed assets	5,410	6,587
Amortisation of goodwill	603	606
Auditors' remuneration	30,000	30,000

<b>6 Interest payable</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Interest payable	169	226,734

<b>7 Taxation</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Adjustments in respect of previous periods	-	-

**Factors affecting tax charge for period**

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
(Loss)/profit on ordinary activities before tax	(193,404)	184,335
Standard rate of corporation tax in the UK	24%	26%
	<b>£</b>	<b>£</b>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax	(46,417)	47,927
Effects of		
Surplus management expenses carried/ (brought) forward	46,417	(47,927)
Current tax charge for period	-	-

**Insec-G Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2012**

<b>8 Intangible fixed assets</b>	<b>Group £</b>
<b>Goodwill</b>	
<b>Cost</b>	
At 1 January 2012	1,815
At 31 December 2012	<u>1,815</u>
<b>Amortisation</b>	
At 1 January 2012	1,212
Provided during the year	603
At 31 December 2012	<u>1,815</u>
<b>Net book value</b>	
At 31 December 2012	<u>-</u>
At 31 December 2011	<u>603</u>

Goodwill is being written off in equal annual instalments over its estimated economic life of 5 years

<b>9 Tangible fixed assets</b>	<b>Plant and machinery £</b>
<b>Group</b>	
<b>Cost</b>	
At 1 January 2012	114,065
Additions	36,560
Disposals	(74,359)
Exchange differences	(11,675)
At 31 December 2012	<u>64,591</u>
<b>Depreciation</b>	
At 1 January 2012	55,698
Charge for the year	5,410
Disposals	(27,444)
Exchange differences	(10,308)
At 31 December 2012	<u>23,356</u>
<b>Net book value</b>	
At 31 December 2012	<u>41,235</u>
At 31 December 2011	<u>58,367</u>

**Insec-G Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2012**

**10 Investments**  
**Company**

**Investments in  
subsidiary  
undertakings  
£**

**Cost**

At 1 January 2012

15,333,978

At 31 December 2012

15,333,978

**Provision for permanent diminution in value**

At 1 January 2012

(15,312,488)

Provided in year

-

At 31 December 2012

(15,312,488)

**Book value**

At 31 December 2012

21,490

At 31 December 2011

21,490

The company holds 20% or more of the share capital of the following companies

<b>Company</b>	<b>Shares held Class</b>	<b>%</b>	<b>Capital and reserves £</b>	<b>Profit (loss) for the year £</b>
Insec-Chadderton Limited	Ordinary	100	1	-
Insec-CLG Limited	Ordinary	100	(589)	-
Cinnamon Limited	Ordinary	90	73,834	(6,292)
Insec-D Limited	Ordinary	100	(135,198)	(26)
Insec-Holdings One Limited	Ordinary	90	(1,075)	273,627
Insec-Holdings Two Limited	Ordinary	90	(4,022)	-
Insec-I Limited	Ordinary	100	39,625	4,250
Insec-Securities Limited	Ordinary	90	(16,829)	820,749
Insec-Interchange East Limited	Ordinary	90	751	996
Insec-M Limited	Ordinary	100	117,014	(25,525)
Insec-Number One Limited	Ordinary	90	(8,404)	-
Insec-Number Two Limited	Ordinary	90	(7,894)	-
Insec-Number Three Limited	Ordinary	90	(9,057)	-
Insec-P Limited	Ordinary	90	(6,449,000)	-
Insec-V Limited	Ordinary	100	(3,327)	-
Ever 1981 Limited	Ordinary	100	3,048	31,661
Ever 1982 Limited	Ordinary	100	(53,742)	31,661
IS Management France SA	Ordinary	90	(32,046)	(46,259)

All subsidiary companies except Cinnamon Limited and IS Management France SA are registered in England and Wales. All companies are included in the consolidated accounts. Cinnamon Limited is registered in Jersey. IS Management France SA is registered in France.

Ever 1981 Limited and Ever 1982 Limited are equal partners in IS Wynyard LLP.

All companies are engaged in property investment, management and development in the United Kingdom and European Union.

**Insec-G Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2012**

<b>11 Debtors</b>	<b>Group 2012 £</b>	<b>Group 2011 £</b>	<b>Company 2012 £</b>	<b>Company 2011 £</b>
Trade debtors	85,765	255,136	-	9,000
Amounts owed by group undertakings	-	-	180,035	149,725
Other debtors	1,019,539	1,063,734	940,680	960,839
	<u>1,105,304</u>	<u>1,318,870</u>	<u>1,120,715</u>	<u>1,119,564</u>

Included in other debtors Group and Company amounts is a balance of £898,000 which will not be recoverable for at least 5 years

**12 Creditors: amounts falling due within one year**

	<b>Group 2012 £</b>	<b>Group 2011 £</b>	<b>Company 2012 £</b>	<b>Company 2011 £</b>
Bank loans and overdrafts	-	10,408	-	10,408
Trade creditors	24,900	8,316	2,224	508
Amounts owed to group undertakings and undertakings in which the company has a participating interest	506,406	508,658	230,479	749,777
Corporation tax	6,440,224	6,440,224	1,000	1,000
Shareholder loans	850,000	850,000	850,000	850,000
Other taxes and social security costs	7,100	1,068	1,974	237
Other creditors	4,438,478	4,433,137	4,764,991	4,118,542
Accruals and deferred income	155,650	184,118	32,150	29,966
	<u>12,422,758</u>	<u>12,435,929</u>	<u>5,882,818</u>	<u>5,760,438</u>

The parent company and its subsidiaries' overdrafts at Bank of Scotland are secured by way of a debenture

<b>13 Share capital</b>	<b>Nominal value</b>	<b>2012 Number</b>	<b>2012 £</b>	<b>2011 £</b>
Allotted, called up and fully paid				
Ordinary A shares	£0 75 each	14,658,257	10,993,693	10,993,693
Ordinary B shares	£0 75 each	705,081	528,811	528,811
Ordinary C shares	£0 75 each	500,000	375,000	375,000
			<u>11,897,504</u>	<u>11,897,504</u>

A Special Resolution requiring a 75% shareholder majority is required before the directors can or will issue authorised but unissued shares



**Insec-G Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2012**

<b>14 Other reserves</b>	<b>Group 2012 £</b>	<b>Company 2012 £</b>
At 1 January 2012	965,834	965,834
At 31 December 2012	<u>965,834</u>	<u>965,834</u>
<b>15 Profit and loss account</b>	<b>Group 2012 £</b>	<b>Company 2012 £</b>
At 1 January 2012	(23,876,438)	(17,482,364)
Loss for the year	(188,778)	(119,741)
At 31 December 2012	<u>(24,065,216)</u>	<u>(17,602,105)</u>
<b>16 Reconciliation of movement in shareholders' funds</b>	<b>Group 2012 £</b>	<b>Company 2012 £</b>
At 1 January 2012 as previously stated	(11,013,100)	(4,619,026)
Loss for the financial year	(188,778)	(119,741)
At 31 December 2012	<u>(11,201,878)</u>	<u>(4,738,767)</u>
<b>17 Gross cash flows</b>	<b>2012 £</b>	<b>2011 £</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	4,285	2,411
Interest paid	(169)	(226,734)
Contributions from/(due to) joint venturers	65,322	(45,238)
Interest element of finance lease rental payments		
	<u>69,438</u>	<u>(269,561)</u>
<b>Capital expenditure</b>		
Receipts from sales of tangible fixed assets	31,638	-
Payments to acquire tangible fixed assets	(36,560)	-
Exchange differences	1,367	1,458
	<u>(3,555)</u>	<u>1,458</u>

**Insec-G Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2012**

**18 Analysis of changes in net debt**

	At 1 Jan 2012 £	Cash flows £	Non-cash changes £	At 31 Dec 2012 £
Cash at bank and in hand	46,444	24,692	-	71,136
Overdrafts	(10,408)	10,408	-	-
		35,100		
Debt due within 1 year	-	-	-	-
Debt due after 1 year	-	-	-	-
Finance leases	-	-	-	-
		-		
Current asset investments	-	-	-	-
Total	36,036	35,100	-	71,136

**19 Contingent liabilities**

Insec-Chadderton Limited has provided an environmental guarantee in respect of a joint venture transaction

The group has undertaken tax planning arrangements which have been challenged by HM Revenue & Customs. The expert advice received to date indicates that the outcome should be in the group's favour. However, if the final outcome is adverse, the group could have a potential corporation tax liability of £6,439,224. This has been fully provided for in the accounts.

**20 Going concern**

The company will continue to receive financial support from the shareholders and related companies. The directors consider that it is therefore appropriate to prepare the financial statements based on a going concern basis.

**21 Related party transactions**

	2012 £	2011 £
<b>Marcol International Asset Management Limited</b>		
M N Steinberg and T S Cole are directors and shareholders of this company		
Management fees	-	457,770
<b>City &amp; General No.1 Limited</b>		
M N Steinberg and T S Cole are directors and shareholders of this company		
Related party loan		
Amount due from/(to) the related party	898,000	898,000

**Insec-G Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2012**

**Marcol Industrial Management LLP**

M N Steinberg, T S Cole, S A Lawrence and N Lax are all members of this LLP

Related party loan

Amount due (to)/from the related party	(4,229,104)	(4,090,705)
--	-------------	-------------

Mr Steinberg, Mr Cole and Mr Lax are all directors of Insec-G Limited and Insec-D Limited

All of the above directors and the spouses of Mr Steinberg and Mr Cole have an interest in the shares of Insec-G Limited

**22 Ultimate controlling party**

The ultimate parent company is Insec-G Limited a company registered in England and Wales