



Financial Statements VSG Holdings Limited

For the year ended 31 March 2010



Company No. 5382414

Company information

Company registration number	5382414
Registered office	650 Pavilion Drive Northampton Business Park NORTHAMPTON NN4 7SL
Directors	L K L Barwell R K L Francis R J Jones W R Muskin
Secretary	R J Jones
Bankers	Royal Bank of Scotland plc 72 Abington Street NORTHAMPTON NN1 2BH
Solicitors	DFA Law 6 Cheyne Walk NORTHAMPTON NN1 5PT Eversheds LLP 1 Royal Standard Place NOTTINGHAM NG1 6FZ
Auditor	Grant Thornton UK LLP Grant Thornton House Kettering Parkway Kettering Venture Park KETTERING Northants NN15 6XR

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Report of the directors

The directors present their report together with the financial statements for the year ended 31 March 2010

Principal activities

The principal activity of the company during the year was that of a holding company

Business review and future developments

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements. No dividends were paid during the year (2009 - £nil)

The company has not traded during the year and continues to hold investments in Vision Security Group Limited. All expenses are met by Vision Security Group Limited.

The directors remain optimistic about the future prospects of the company, despite the difficult trading conditions that exist. The company intends to grow its share of both the manned guarding and electronic security markets by continuing to provide industry leading service levels at good value. The acquisition of Rampart Security Limited has been successful and enabled the company to offer a nationwide solution.

Financial risk management objectives and policies

The company uses various financial instruments including loans and cash. The main purpose of these financial instruments is to raise finance for the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The main risk arising from the company's financial instruments is liquidity risk. The directors review and agree policies for managing this risk and it is summarised below.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The directors

The present membership of the Board is set out below. All directors served throughout the year.

L K L Barwell
R K L Francis
R J Jones
W R Muskin

Statement of directors' responsibilities

The directors are responsible for preparing the Report of the Directors 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 financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgments 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 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 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.

In so far as each of the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

BY ORDER OF THE BOARD



R J Jones
Secretary
24 June 2010



Independent auditor's report to the members of VSG Holdings Limited (registered number 5382414)

We have audited the financial statements of VSG Holdings Limited for the year ended 31 March 2010 which comprise the principal accounting policies, the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010,
- 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.



Independent auditor's report to the members of
VSG Holdings Limited
(registered number 5382414)

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 financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

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

A handwritten signature in black ink that reads "Steve Robinson UK LLP".

Steve Robinson
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Kettering

24 June 2010

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The company's accounting policies are unchanged compared with the prior year

Basis of preparation

The directors have reviewed the result for the year and forecast future trading of the group and they believe the company will generate sufficient resources to meet its liabilities as they fall due. Based on this the financial statements have been prepared on a going concern basis.

Group accounts

The financial statements present information about the company as an individual undertaking and not about its group.

The company has taken advantage of the exemption provided by section 400 of the Companies Act 2006 not to prepare group accounts, as its ultimate parent undertaking is VSG Group Limited, a company registered in England and Wales, which prepares consolidated financial statements.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its ultimate parent publishes a consolidated cash flow statement.

Investments

Investments are stated at cost less provision for diminution in value.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Profit and loss account

	Note	2010 £	2009 £
Net interest and loss on ordinary activities before taxation	2	-	(136)
Tax on loss on ordinary activities	3	-	-
Retained loss for the financial year	8	<u>-</u>	<u>(136)</u>

There were no other recognised gains or losses other than the result for the financial year

All of the activities of the company are classed as continuing

Balance sheet

	Note	£	2010 £	£	2009 £
Fixed assets					
Investments	4		8,119,097		8,119,097
Current assets					
Cash at bank		1,510		1,510	
Creditors: amounts falling due within one year	5	<u>(325,417)</u>		<u>(325,417)</u>	
Net current liabilities			<u>(323,907)</u>		<u>(323,907)</u>
Total assets less current liabilities			7,795,190		7,795,190
Creditors: amounts falling due after more than one year	6		<u>(3,904,035)</u>		<u>(3,904,035)</u>
			<u>3,891,155</u>		<u>3,891,155</u>
Capital and reserves					
Called-up equity share capital	7		4,600,100		4,600,100
Profit and loss account	8		<u>(708,945)</u>		<u>(708,945)</u>
Shareholders' funds	9		<u>3,891,155</u>		<u>3,891,155</u>

These financial statements were approved by the Board of Directors and authorised for issue on 24 June 2010. They are signed on their behalf by



R J Jones
 Director

Notes to the financial statements

1 Loss on ordinary activities before taxation

There were no employees during the year and no director received any remuneration (2009 - none)

2 Net interest

	2010 £	2009 £
Finance costs	-	136

3 Taxation on ordinary activities

There was no tax charge for the year (2009 - £nil)

Factors affecting the tax charge for the year

The tax assessed on the loss on ordinary activities for the year is different to the standard rate of corporation tax in the UK of 28% (2009 - 28%) The differences are explained below:

	2010 £	2009 £
Loss on ordinary activities before taxation	-	(136)
Loss on ordinary activities before taxation multiplied by standard rate of corporation tax of 28% (2009 - 28%)	-	(38)
Group relief surrendered	-	38
Total current tax	-	-

4 Investments

	Investments in group undertakings £
Cost and net book amount At 1 April 2009 and 31 March 2010	<u>8,119,097</u>

At 31 March 2010 the company held more than 20% of the allotted share capital of the following companies which are incorporated in England and Wales

	Class of share held	Proportion of voting rights held	Nature of business
Subsidiary undertakings			
Vision Security Group Limited	Ordinary	100% direct	Provision of manned guarding security services
VSG Staff Hire Limited	Ordinary	100% indirect	Provision of staff services
VSG Payroll Services Limited	Ordinary	100% indirect	Provision of payroll services
Vision Security Group Systems Limited	Ordinary	100% indirect	The supply installation, maintenance and monitoring of electronic security systems
VSG Systems Direct Limited	Ordinary	100% indirect	Dormant

5 Creditors: amounts falling due within one year

	2010 £	2009 £
Amounts owed to group undertakings	<u>325,417</u>	<u>325,417</u>

6 Creditors: amounts falling due after more than one year

	2010 £	2009 £
Amounts owed to group undertakings	<u>3,904,035</u>	<u>3,904,035</u>

7 Equity share capital

Authorised

2010 and 2009
£

20,000 Ordinary shares of £0.01 each	200
4,600,000 Preference shares of £1 each	4,600,000
	<u>4,600,200</u>

Equity shares
Allotted, called up and fully paid

2010 and 2009
No £

Ordinary shares of £0.01 each	10,000	100
Preference shares of £1 each	4,600,000	4,600,000
	<u>4,610,000</u>	<u>4,600,100</u>

8 Profit and loss account

£

At 1 April 2009 and at 31 March 2010 (708,945)

9 Reconciliation of movements in shareholder's funds

2010 2009
£ £

Loss for the financial year	-	(136)
Opening shareholder's funds	3,891,155	3,891,291
Closing shareholder's funds	<u>3,891,155</u>	<u>3,891,155</u>

10 Capital commitments

The company had no capital commitments at 31 March 2010 or 31 March 2009

11 Contingent liabilities

The company is party to an inter-company composite guarantee with accession between VSG Group Limited, VSG Investments Limited, Vision Security Group Limited, VSG Staff Hire Limited, VSG Payroll Services Limited and Vision Security Group Systems Limited (formerly Rampart Security Limited) At 31 March 2010, the potential liability of the company was £10,978,791 (2009 - £11,925,000)

12 Transactions with related parties

As a wholly owned subsidiary of VSG Investments Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by VSG Group Limited on the grounds that consolidated accounts of VSG Group Limited are publicly available from Companies House

13 Controlling related party

VSG Investments Limited is considered the controlling related party by virtue of its 100% shareholding

VSG Group Limited is considered the ultimate controlling related party by virtue of its share ownership