

VSG GROUP LIMITED

Report and Financial Statements

30 September 2011

FRIDAY



A1B5F3XK

A24

15/06/2012

#238

COMPANIES HOUSE

VSG GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS 2011

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Directors' responsibilities statement	4
Independent auditor's report	5
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9

VSG GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS 2011

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

L K L Barwell
R K L Francis
S J Davies
R J Jones
P A Galvin
J C Leek
I J Sarson

SECRETARY

Compass Secretaries Limited

REGISTERED OFFICE

Parklands Court
24 Parklands
Birmingham Great Park
Rubery
Birmingham
B45 9PZ

BANKERS

National Westminster Bank PLC
817 Bristol Road South
Birmingham
B31 2NQ

Barclays Bank PLC
PO Box 299
Birmingham
B1 3PF

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, United Kingdom

VSG GROUP LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 18 month period ended 30 September 2011

The company has changed its accounting reference date to 30 September to bring into line with the other companies in the group. Therefore the financial statements have been prepared for an extended period of account.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

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

On 10 September 2010 the company, and all of its subsidiaries, was acquired by Compass Group UK & Ireland Limited.

GOING CONCERN

The directors believe the company is well placed to manage its business risks successfully despite the uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

DIRECTORS

The directors who served the company as at 30 September 2011 and subsequently are as shown on page 1.

S J Davies, J C Leek, I J Sarson and N R Smith were appointed as directors on 10 September 2010 and P A Galvin was appointed as a director on 31 December 2010.

W R Muskin, J Garner and M E Aldridge resigned as directors on 10 September 2010 and N R Smith resigned as a director on 31 December 2010.

Compass Secretaries Limited was appointed as company secretary on 10 September 2010 and R J Jones resigned as company secretary on 10 September 2010.

As at the date of this report and during the year ended 30 September 2011, no indemnities are in force for the directors of this company.

AUDITOR

In the case of each of the persons who are directors of the company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditor is unaware, and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

VSG GROUP LIMITED

DIRECTORS' REPORT

During the period Grant Thornton UK LLP resigned as auditor and Deloitte LLP were appointed as auditor of the Company

The Company has elected to dispense with the obligation to appoint an auditor annually and, accordingly, Deloitte LLP shall be deemed to be re-appointed as an auditor for a further term under the provision of section 485 of the Companies Act 2006

Approved by the Board of Directors
and signed on behalf of the Board



P A Galvin
Director

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial period. 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 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 these 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, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VSG GROUP LIMITED

We have audited the financial statements of VSG Group Limited for the 18 month period ended 30 September 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 11. 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, 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 and express an opinion on 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

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, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30 September 2011 and of its result for the 18 month period 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the 18 month period for which the financial statements are prepared is consistent with the financial statements.

VSG GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VSG GROUP LIMITED (CONTINUED)

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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report

David Hall, FCA

David Hall, FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, United Kingdom

24 May 2012

VSG GROUP LIMITED

PROFIT AND LOSS ACCOUNT

18 month period ended 30 September 2011

	Note	18 month period ended 30 September 2011 £	12 month period ended 31 March 2010 £
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	-	-
Tax on profit on ordinary activities		-	-
PROFIT FOR THE FINANCIAL YEAR	2	-	-

All amounts derive from continuing operations

There are no recognised gains and losses other than the result for the financial periods

Accordingly, no statement of total recognised gains and losses is given

The accompanying notes are an integral part of this profit and loss account

VSG GROUP LIMITED

BALANCE SHEET 30 September 2011

	Note	30 September 2011 £	31 March 2010 £
FIXED ASSETS			
Investments	3	1	1
CURRENT ASSETS			
Debtors	4	468,460	441,703
Cash at bank		-	4,503
		<u>468,460</u>	<u>446,206</u>
CREDITORS: amounts falling due within one year	5	(33,686)	(38,189)
NET CURRENT ASSETS		<u>434,774</u>	<u>408,017</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>434,775</u>	<u>408,018</u>
NET ASSETS		<u><u>434,775</u></u>	<u><u>408,018</u></u>
CAPITAL AND RESERVES			
Called up share capital	6	458,696	431,939
Share premium account	8	14,354	14,354
Profit and loss account	8	(38,275)	(38,275)
SHAREHOLDERS' FUNDS	9	<u><u>434,775</u></u>	<u><u>408,018</u></u>

The accompanying notes form an integral part of this balance sheet

The financial statements of VSG Group Limited (registration number 06182467) were approved by the board of directors and authorised for issue on 23 May 2012. They were signed on its behalf by



P A Galvin
Director

VSG GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

18 month period ended 30 September 2011

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The principal accounting policies adopted are described below. They have been applied consistently in both the current and prior period.

Accounting convention

The financial statements are prepared under the historical cost convention. Consolidated accounts have not been prepared as the company has taken advantage of s401 of the Companies Act 2006 because it is a wholly owned subsidiary of a company registered in England and Wales which prepares consolidated accounts.

Going concern

The directors believe the company is well placed to manage its business risks successfully despite the uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

Exemption from FRS 8 disclosures

As the company was a wholly owned subsidiary of Compass Group PLC at 30 September 2011, the company has taken advantage of the exemption to disclose related party transactions since such transactions are with other members of the group.

Cash Flow Statement

As the company is a wholly owned subsidiary and the ultimate parent company prepares a group cash flow statement, the company has taken advantage of the exemption in FRS1 'Cash flow statements'.

Share Options

Certain employees of the company were part of a share option scheme, as detailed in note 7 under which they received equity-settled share-based payments. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting year, together with a corresponding increase in equity, based upon the company's estimate of the shares that will eventually vest.

Fair value is measured using an appropriate pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Where the terms of an equity-settled transaction are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled transaction is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the transaction is recognised immediately. However, if a new transaction is substituted for the cancelled transaction, and designated as a replacement transaction on the date that it is granted, the cancelled and new transactions are treated as if they were a modification of the original transaction, as described in the previous paragraph.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

VSG GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

18 month period ended 30 September 2011

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit on ordinary activities before taxation are attributable to the principal activity as stated in the Report of the Directors

There were no employees during the year and no director received any remuneration for services to VSG Group Limited (12 months ended 31 March 2010 - none)

Auditor's remuneration was borne by another group company

3. INVESTMENTS

Cost and net book value	£
At 1 April 2010 and 30 September 2011	<u>1</u>

The investments at 30 September 2011 represented 100% of the ordinary share capital of the following companies

Subsidiary Undertakings	Voting Rights Held	Nature of Business
VSG Investments Limited	100% Direct	Holding
VSG Holdings Limited	100% Indirect	Holding
Vision Security Group Limited	100% Indirect	Provision of manned guarding security services
VSG Staff Hire Limited	100% Indirect	Dormant
VSG Payroll Services Limited	100% Indirect	Dormant
Vision Security Group Systems Limited	100% Indirect	The supply, installation, maintenance and monitoring of electronic security services
VSG Systems Direct Limited	100% Indirect	Dormant

All of the above are incorporated in Great Britain and registered in England and Wales

In the opinion of the directors, the investments in subsidiaries are worth not less than the amounts shown above

4. DEBTORS

	30 September 2011 £	31 March 2010 £
Amounts owed by group undertakings	468,460	441,703
	<u>468,460</u>	<u>441,703</u>

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 September 2011 £	31 March 2010 £
Amounts owed to group undertakings	33,686	38,189
	<u>33,686</u>	<u>38,189</u>

VSG GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

18 month period ended 30 September 2011

6. SHARE CAPITAL

	30 September 2011 No	31 March 2010 No	30 September 2011 £	31 March 2010 £
Called up, allotted and fully paid				
Ordinary shares of £1 each	458,696	327,054	458,696	327,054
Preference shares of £1 each	-	104,885	-	104,885
	<u>458,696</u>	<u>431,939</u>	<u>458,696</u>	<u>431,939</u>

On 10 September 2010, 26,757 shares were issued in relation to the exercise of share options. On the same date, the preference shares were converted into ordinary shares.

7. SHARE BASED PAYMENTS

Equity-settled share-based payments

The company previously operated a share option scheme for senior management of Vision Security Group Limited in respect of Ordinary £1 Shares of VSG Group Limited. Options were exercisable at a price of £1. The options became exercisable when an exit event occurred.

If the options remained unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the company before the options vest.

On 10 September 2010 VSG Group Limited and its subsidiaries were acquired by Compass Group, UK and Ireland Limited and hence the options became exercisable.

Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year are as follows:

	30 September 2011 No	30 September 2011 WAEP £	30 March 2010 No	30 March 2010 WAEP £
Outstanding at the beginning of the year	17,838	1.00	20,811	1.00
Granted during the year	8,919	1.00	-	-
Lapsed during the year	-	-	(2,973)	1.00
Exercised during the year	(26,757)	1.00	-	-
Outstanding at the end of the year	<u>-</u>	<u>-</u>	<u>17,838</u>	<u>1.00</u>
Exercisable at the year end	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The fair values were calculated using the market value agreed with HMRC. The fair value is £1 per share; therefore the charge for the period is not material and is not reflected in the financial statements.

VSG GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

18 month period ended 30 September 2011

7. SHARE BASED PAYMENTS (CONTINUED)

There are no share options outstanding at the end of the period. The share options outstanding at 30 March 2010 had a maximum remaining contractual life of 8 years and the following exercise prices

Expiry date	Exercise price £	30 September 2011 No	30 March 2010 No
19 March 2018	1.00	-	5,946
07 April 2018	1.00	-	2,973
15 April 2018	1.00	-	2,973
19 April 2018	1.00	-	2,973
25 April 2018	1.00	-	2,973
		-	17,838

8. RESERVES

	Share premium account £	Profit and loss account £	Total £
At 1 April 2010	14,354	(38,275)	(23,921)
Retained profit for the period	-	-	-
At 30 September 2011	14,354	(38,275)	(23,921)

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30 September 2011 £	31 March 2010 £
Opening shareholders' funds	408,018	408,018
Result for the financial period	-	-
Issue of shares	26,757	-
Closing shareholders' funds	434,775	408,018

10. CONTINGENT LIABILITIES AND GUARANTEES

Under a group registration the company is jointly and severally liable for VAT due by the other companies within the group registration. At 30 September 2011 this contingent liability amounted to £16,247,000.

The company has entered into cross guarantees in respect of the group overdraft facility with National Westminster Bank PLC. The amount drawn down at 30 September 2011 was £nil.

VSG GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

18 month period ended 30 September 2011

11. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company's immediate parent company is Compass Group UK & Ireland Limited

The ultimate parent and controlling entity is Compass Group PLC This is the largest and smallest group into which the company is consolidated

The only group of undertakings for which group accounts are drawn up and of which the company is a member is Compass Group PLC Copies of the group financial statements referred to above can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ

All the above-named companies are incorporated in Great Britain and registered in England and Wales