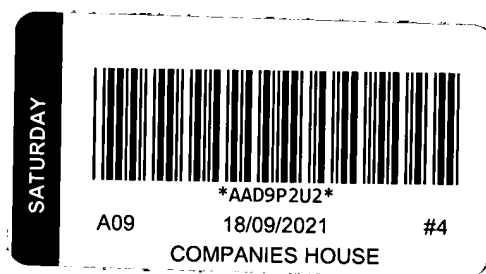


Registered number: 06091627

**ALLIED UNIVERSAL (EUROPE) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**



---

**ALLIED UNIVERSAL (EUROPE) LIMITED**

---

**COMPANY INFORMATION**

---

<b>Directors</b>	Troy Hewitt (resigned 6 April 2021) Lj Paul Lutz (resigned 29 April 2020) David Isaac Buckman (appointed 6 April 2021)
<b>Registered number</b>	06091627
<b>Registered office</b>	2nd Floor Chancery House St Nicholas Way Sutton Surrey SM1 1JB
<b>Independent auditors</b>	MHA MacIntyre Hudson Chartered Accountants and Statutory Auditors 6th Floor 2 London Wall Place London EC2Y 5AU

---

**ALLIED UNIVERSAL (EUROPE) LIMITED**

---

**CONTENTS**

---

	Page(s)
<b>Strategic report</b>	1 - 3
<b>Directors' report</b>	4 - 6
<b>Independent auditors' report</b>	7 - 10
<b>Statement of comprehensive income</b>	11
<b>Balance sheet</b>	12
<b>Statement of changes in equity</b>	13
<b>Statement of cash flows</b>	14
<b>Analysis of net debt</b>	15
<b>Notes to the financial statements</b>	16 - 28

---

**ALLIED UNIVERSAL (EUROPE) LIMITED**

---

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**Introduction**

Allied Universal (Europe) Limited (the "Company") is part of the Allied Universal group of companies (the "Group"), the ultimate parent company being the US Based Allied Universal Topco LLC.

The Directors, in preparing this Strategic report, have complied with Section 414c of the Companies Act 2006.

**Business review**

These financial statements have been prepared on a going concern basis.

The principal activity of the Company is to provide security services, predominantly through manned guarding, but complemented where appropriate with security systems and keyholding services.

Throughout 2020 the Company has continued to grow both revenue and profit. Revenue for the year totalled £25,956,247 (2019: £21,033,591) and profit before tax amounted to £515,465 (2019: £110,762).

The Company's strategy of targeting large corporate clients has continued through 2020, with several new clients secured, and existing relationships being developed. The business has been impacted by Covid-19, with a handful of clients reducing/ removing services in the leisure sector, but the impact of this has been limited.

---

## ALLIED UNIVERSAL (EUROPE) LIMITED

---

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### Principal risks and uncertainties

The key risks and uncertainties surrounding the Company have been identified by the Directors as follows:

##### Strategic Risks

###### Covid-19

The global pandemic, even as it seems to be ever more under control, is still a persistent theme during the regular business reviews. With the lifting of restrictions as we move through 2021, the long-term impacts of Covid-19 will be monitored, and the business will adapt to the changing environment.

###### Brexit

Allied Universal (Europe) Limited could suffer from any adverse changes to the macro-economic environment in the UK, the Company's primary customer base. Brexit has not directly generated any significant impact on the trading conditions and labour availability at this time.

Both Brexit and Covid-19 may also have future wider reaching impacts, as it may influence decisions taken around outsourcing of services and the volume of discretionary spend available to outsource services. This may result in fewer opportunities for the Company and have a consequential negative impact on the financial performance.

##### Financial Risks

###### Reliance on material counterparties

The Company depends on significant counterparties, including clients, suppliers, banks and insurers, to maintain its business. The failure of a key business partner could affect the business. The risk is mitigated as far as possible by limiting the dependence on any one partner.

##### Operational Risks

###### Significant health, safety or environmental incidents

The potential to cause harm to employees, clients, or to damage the environment exists, and is mitigated by a regular monitoring of the Company's Quality, Health, Safety & Environmental programme.

###### Attracting and retaining skilled people

Failure to attract new talent and develop existing employees could impact growth and retention. The Company has a robust training and recognition scheme in place, which supports both the attraction and retention of key people.

##### Financial Risk Management

Appropriate trade terms are negotiated with both suppliers and customers. Management reviews these terms and the relationships with suppliers and customers, and manages any exposure on normal trade terms. The Company prepares regular forecasts of cashflow and liquidity, and any requirement for additional funding is managed within the wider Group.

---

**ALLIED UNIVERSAL (EUROPE) LIMITED**

---

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**Financial key performance indicators**

One of the key performance indicators for the Company is revenue growth, for which the annual percentage increase was 23%.

Gross profit margin declined to 12% (2019: 12.2%) as a result of the transition to lower margin corporate clients, and the suspension of works in the Hospitality sector due to Covid-19.

The Company maintains a strong financial position, with net assets of £1,119,624 (2018: £729,012).

This report was approved by the board and signed on its behalf.



**David Isaac Buckman**  
Director

Date: *Nov 10, 2021*

---

**ALLIED UNIVERSAL (EUROPE) LIMITED**

---

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

The directors present their report and the financial statements for the year ended 31 December 2020.

**Directors' responsibilities statement**

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 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'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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 profit for the year, after taxation, amounted to £407,775 (2019 - £70,977).

Dividends of £nil (2019: £nil) were paid during the year.

**Directors**

The directors who served during the year were:

Troy Hewitt (resigned 6 April 2021)  
Lj Paul Lutz (resigned 29 April 2020)

Following the resignation of Troy Hewitt on 06.04.2021, David Buckman was appointed as a director on 06.04.2021.

---

**ALLIED UNIVERSAL (EUROPE) LIMITED**

---

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**Environmental matters**

The directors have had due regard for their duty to promote the success of the Company for the benefit of its members as a whole. The directors carefully consider the consequences of all projects, ensuring they are fully planned and costed, taking account of the potential financial returns as well as the wider impacts on the business and the environment. The Company continually strives to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The Company has complied with all applicable legislation and regulations.

**Future developments**

The company seeks to capitalise on opportunities to grow both organically and via acquisition.

**Engagement with employees**

The company's HR policies and standards prescribe a framework to encourage employee engagement. Staff are provided with inductions and training to develop skills and ensure employees are aware of the resources available to them.

The employee hierarchy sets out reporting channels that facilitates effective communication within the company and throughout the Group. Newsletters and a company intranet further contribute to the provision of information to employees.

Periodic engagement surveys and employee forums enable staff to provide feedback to help guide management's course of action to meet strategies and objectives.

The company's process for recruiting staff is non discriminatory and applicants are assessed based purely upon their skills and abilities which enables the company to create a diverse workplace with a breadth of talents and expertise. In the event that an employee becomes disabled and unable to fulfil the specific job requirements of their employment, the company takes reasonable measures to retain and redeploy their talents to more suitable job roles as available.

**Directors' indemnity insurance**

At the approval date of the directors' report, director's liability and indemnity insurance is in force to cover the directors and officers of the company against actions brought against them in their personal capacity. Neither the insurance nor the indemnity provides cover where the individual has acted fraudulently or dishonestly.

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed 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 the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.



---

**ALLIED UNIVERSAL (EUROPE) LIMITED**

---

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**Post balance sheet events**

There have been no significant events affecting the Company since the year end, other than those disclosed in these accounts.

**COVID-19**

As at the date of this report, the company has not observed any material impact on overall business performance during 2020 as a result of COVID-19. Whilst certain clients have downscaled their requirements, the impact of this has been offset by other customers who have increased their job requirements.

Considering the company's strong financial position, business continuity plans and the sustained demand for its services, management consider the company to be well positioned to weather the pandemic. Nonetheless, the company recognises an increased level of uncertainty over the company's short term financial performance and continues to monitor and evaluate the impact of external factors as they become apparent.

**G4S Plc Acquisition**

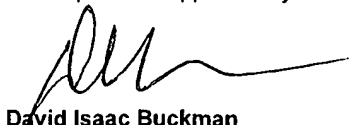
On the 5th April 2021 it was announced that Allied Universal Topco LLC had acquired G4S Plc, in an acquisition valued at £3.8bn.

Allied Universal is now the 3rd largest employer in North America and the 7th largest employer in the world. The company remains focused on its purpose - to serve and safeguard customers, communities and people in today's ever-changing world. Allied Universal is entirely structured to support its local operations-ensuring the resources and benefits are focused where they're needed most-- with the company's customers and Security Professionals.

**Auditors**

The auditors, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



**David Isaac Buckman**  
Director

Date: *AUGUST 10, 2021*

---

**ALLIED UNIVERSAL (EUROPE) LIMITED**

---

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALLIED UNIVERSAL (EUROPE) LIMITED**

---

**Opinion**

We have audited the financial statements of Allied Universal (Europe) Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**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 Auditors' 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 Company's ability to continue as a going concern for a period of at least twelve 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.

---

**ALLIED UNIVERSAL (EUROPE) LIMITED**

---

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALLIED UNIVERSAL (EUROPE) LIMITED  
(CONTINUED)**

---

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

In our opinion, based on the work undertaken in the course of the audit:

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

- adequate accounting records have not been kept, 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.

---

**ALLIED UNIVERSAL (EUROPE) LIMITED**

---

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALLIED UNIVERSAL (EUROPE) LIMITED  
(CONTINUED)**

---

**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.

**Auditors' 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 Auditors' 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and review of accounting estimates for bias;
- Reviewing financial statement disclosures and testing supporting documentation to assess compliance with applicable laws and regulations.

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 at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

---

**ALLIED UNIVERSAL (EUROPE) LIMITED**

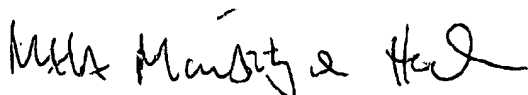
---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALLIED UNIVERSAL (EUROPE) LIMITED  
(CONTINUED)**

---

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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.



Stephen Poleykett BA Hons FCA (Senior statutory auditor)

for and on behalf of  
**MHA MacIntyre Hudson**

Chartered Accountants and Statutory Auditors

6th Floor  
2 London Wall Place  
London  
EC2Y 5AU

Date: 17 September 2021

---

**ALLIED UNIVERSAL (EUROPE) LIMITED**

---

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

	Note	2020 £	2019 £
Turnover	4	25,956,247	21,033,591
Cost of sales		(22,788,704)	(18,467,465)
<b>Gross profit</b>		<b>3,167,543</b>	<b>2,566,126</b>
Administrative expenses		(2,643,203)	(2,444,348)
<b>Operating profit</b>	5	<b>524,340</b>	<b>121,778</b>
Interest payable and expenses	9	(8,875)	(11,016)
<b>Profit before tax</b>		<b>515,465</b>	<b>110,762</b>
Tax on profit	10	(107,690)	(39,785)
<b>Profit for the financial year</b>		<b>407,775</b>	<b>70,977</b>

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2020 (2019:£NIL).


The notes on pages 16 to 28 form part of these financial statements.

**ALLIED UNIVERSAL (EUROPE) LIMITED**  
**REGISTERED NUMBER: 06091627**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	11	77,471	130,335
		<u>77,471</u>	<u>130,335</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	4,621,498	4,613,101
Cash at bank and in hand	13	3,692,994	885,802
		<u>8,314,492</u>	<u>5,498,903</u>
Creditors: amounts falling due within one year	14	(7,153,329)	(4,781,240)
<b>Net current assets</b>		<u>1,161,163</u>	<u>717,663</u>
<b>Total assets less current liabilities</b>		<u>1,238,634</u>	<u>847,998</u>
Creditors: amounts falling due after more than one year	15	(101,847)	(118,986)
<b>Net assets</b>		<u><u>1,136,787</u></u>	<u><u>729,012</u></u>
<b>Capital and reserves</b>			
Called up share capital	17	1,250	1,250
Profit and loss account	18	1,135,537	727,762
		<u><u>1,136,787</u></u>	<u><u>729,012</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
**David Isaac Buckman**  
 Director

Date: AUGUST 10, 2021

---

**ALLIED UNIVERSAL (EUROPE) LIMITED**

---

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 January 2019</b>	<b>1,250</b>	<b>656,785</b>	<b>658,035</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	70,977	70,977
<b>At 1 January 2020</b>	<b>1,250</b>	<b>727,762</b>	<b>729,012</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	407,775	407,775
<b>At 31 December 2020</b>	<b>1,250</b>	<b>1,135,537</b>	<b>1,136,787</b>

The notes on pages 16 to 28 form part of these financial statements.



---

**ALLIED UNIVERSAL (EUROPE) LIMITED**

---

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	407,775	70,977
<b>Adjustments for:</b>		
Depreciation of tangible assets	59,178	72,442
Loss on disposal of tangible assets	-	(17,104)
Interest paid	8,875	11,016
Taxation charge	88,464	39,785
Decrease/(increase) in debtors	45,153	(1,891,707)
Increase in creditors	2,424,345	596,939
Increase in amounts owed to groups	5,123	1,194,848
Corporation tax (paid)	(199,015)	(62,471)
<b>Net cash generated from operating activities</b>	<b>2,839,898</b>	<b>14,725</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(6,313)	(13,503)
Sale of tangible fixed assets	-	17,104
HP interest paid	(8,875)	(11,016)
<b>Net cash from investing activities</b>	<b>(15,188)</b>	<b>(7,415)</b>
<b>Cash flows from financing activities</b>		
Repayment of new finance leases	(17,518)	(35,901)
<b>Net cash used in financing activities</b>	<b>(17,518)</b>	<b>(35,901)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,807,192</b>	<b>(28,591)</b>
Cash and cash equivalents at beginning of year	885,802	914,393
<b>Cash and cash equivalents at the end of year</b>	<b>3,692,994</b>	<b>885,802</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	3,692,994	885,802
	<b>3,692,994</b>	<b>885,802</b>

The notes on pages 16 to 28 form part of these financial statements.

---

**ALLIED UNIVERSAL (EUROPE) LIMITED**

---

**ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	885,802	2,807,192	3,692,994
Finance leases	(138,475)	17,518	(120,957)
	<u>747,327</u>	<u>2,824,710</u>	<u>3,572,037</u>

The notes on pages 16 to 28 form part of these financial statements.

---

**ALLIED UNIVERSAL (EUROPE) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**1. General information**

Allied Universal (Europe) Limited is a private company, limited by shares, registered in England and Wales, registered number 06091627.

The registered office of Allied Universal (Europe) Limited is 20b Ascensis Tower, Battersea Reach, London, England, SW18 1AY.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The financial statements are prepared in £ sterling, the functional currency, rounded to the nearest £1.

The following principal accounting policies have been applied:

**2.2 Going concern**

The financial statements have been prepared on a going concern basis. As at the date of this report, the company has not observed any material impact on overall business performance as a result of COVID-19. Whilst certain clients have downscaled their requirements, the impact of this has been offset by other customers who have increased their job requirements.

Considering the company's strong financial position, business continuity plans and the sustained demand for its services, management consider the company to be well positioned to weather the pandemic. Nonetheless, the company recognises an increased level of uncertainty over the company's short term financial performance and continues to monitor and evaluate the impact of external factors as they become apparent.

Based on these assessments and having regard to the resources available to the entity, the Directors have concluded that there is no material uncertainty and that they can adopt the going concern basis in preparing the annual report and accounts.

---

**ALLIED UNIVERSAL (EUROPE) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**2. Accounting policies (continued)**

**2.3 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue relating to the provision of security services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.5 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

**2.6 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.7 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

---

**ALLIED UNIVERSAL (EUROPE) LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**2. Accounting policies (continued)****2.8 Pensions****Defined contribution pension plan**

The Company operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.9 Taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.10 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

---

**ALLIED UNIVERSAL (EUROPE) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**2. Accounting policies (continued)****2.10 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	50% straight line
Motor vehicles	-	20% straight line
Fixtures and fittings	-	25% straight line
Office equipment	-	33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.11 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.12 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

**2.13 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.14 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a

---

**ALLIED UNIVERSAL (EUROPE) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**2. Accounting policies (continued)**

**2.14 Financial instruments (continued)**

financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

---

**ALLIED UNIVERSAL (EUROPE) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

In the application of the company's accounting policies, which are described above, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future financial statements.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below:

**Trade Debtors**

Judgements have been made in relation to the recoverability of trade debtors. The directors have concluded that the amounts are recoverable.

**4. Turnover**

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Security revenue	25,956,247	21,033,591
	<u>25,956,247</u>	<u>21,033,591</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	24,773,247	20,254,252
Rest of Europe	760,000	485,882
Rest of the world	423,000	293,457
	<u>25,956,247</u>	<u>21,033,591</u>



---

**ALLIED UNIVERSAL (EUROPE) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**5. Operating profit**

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation	59,178	72,442
Exchange differences	83,541	3,043
Operating lease rentals	88,313	122,996
Profit on fixed asset disposal	-	17,104

**6. Auditors' remuneration**

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	15,000	15,000

**Fees payable to the Company's auditor and its associates in respect of:**

Taxation compliance services	4,500	3,000
Other services relating to taxation	3,000	5,767
	7,500	8,767

---

**ALLIED UNIVERSAL (EUROPE) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**7. Employees**

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

	2020 £	2019 £
Wages and salaries	15,727,393	11,390,258
Social security costs	1,547,466	1,120,302
Cost of defined contribution pension scheme	277,554	184,760
	<u>17,552,413</u>	<u>12,695,320</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Total	<u>516</u>	<u>336</u>

Key management personnel include the directors. Key management personnel compensation in the year year to 31 December 2020 was £134,279 (2019: £138,908)

**8. Directors' remuneration**

	2020 £	2019 £
Directors' emoluments	134,279	138,908
	<u>134,279</u>	<u>138,908</u>

Contributions paid to defined contribution pension to defined contribution pension schemes in respect of the directors totalled £nil (2019: £3,000). Retirement benefits are accruing to 1 director (2019: 1) under these schemes.

**9. Interest payable and similar expenses**

	2020 £	2019 £
Finance leases and hire purchase contracts	8,875	11,016
	<u>8,875</u>	<u>11,016</u>

---

**ALLIED UNIVERSAL (EUROPE) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**10. Taxation**

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	107,690	57,000
Adjustments in respect of previous periods	-	375
	<u>107,690</u>	<u>57,375</u>
<b>Total current tax</b>	<u>107,690</u>	<u>57,375</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	(17,590)
<b>Total deferred tax</b>	<u>-</u>	<u>(17,590)</u>
<b>Taxation on profit on ordinary activities</b>	<u>107,690</u>	<u>39,785</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>515,465</u>	<u>110,762</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	97,938	21,045
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	16,031
Adjustments to tax charge in respect of prior periods	-	375
Short term timing difference leading to an increase (decrease) in taxation	-	2,070
Other timing differences not recognised in the year	9,752	(40)
Other timing differences leading to an increase (decrease) in taxation	-	304
<b>Total tax charge for the year</b>	<u>107,690</u>	<u>39,785</u>

---

**ALLIED UNIVERSAL (EUROPE) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**10. Taxation (continued)****Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**11. Tangible fixed assets**

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2020	5,142	188,550	104,831	86,485	385,008
Additions	-	-	-	6,313	6,313
At 31 December 2020	5,142	188,550	104,831	92,798	391,321
<b>Depreciation</b>					
At 1 January 2020	5,142	70,706	104,475	74,350	254,673
Charge for the year on owned assets	-	-	27	12,012	12,039
Charge for the year on financed assets	-	47,138	-	-	47,138
At 31 December 2020	5,142	117,844	104,502	86,362	313,850
<b>Net book value</b>					
At 31 December 2020	-	70,706	329	6,436	77,471
At 31 December 2019	-	117,844	356	12,135	130,335

The net book value of assets held under hire purchase is £70,706 (2019: £117,844).

---

**ALLIED UNIVERSAL (EUROPE) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**12. Debtors**

	2020 £	2019 £
Trade debtors	3,678,085	4,313,757
Other debtors	114,945	-
Prepayments and accrued income	828,468	299,344
	<u>4,621,498</u>	<u>4,613,101</u>

**13. Cash and cash equivalents**

	2020 £	2019 £
Cash at bank and in hand	3,692,994	885,802
	<u>3,692,994</u>	<u>885,802</u>

**14. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Trade creditors	795,176	1,265,338
Amounts owed to group undertakings	1,633,694	1,628,571
Corporation tax	-	57,000
Other taxation and social security	2,902,266	942,486
Obligations under finance lease and hire purchase contracts	19,110	19,489
Other creditors	1,233,630	719,750
Accruals and deferred income	569,453	148,606
	<u>7,153,329</u>	<u>4,781,240</u>

At 31 December 2020, obligations on hire purchase contracts due within 1 year totalling £19,110 (2019: £19,489) were secured on the assets to which they relate.

---

**ALLIED UNIVERSAL (EUROPE) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**15. Creditors: Amounts falling due after more than one year**

	2020 £	2019 £
Net obligations under finance leases and hire purchase contracts	101,847	118,986
	<u>101,847</u>	<u>118,986</u>

At 31 December 2020, net obligations under finance leases and hire purchase contracts due after more than 1 year totalling £101,847 (2019: £118,986) were secured on the assets to which they relate.

**16. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	19,110	19,489
Between 1-5 years	101,847	118,986
	<u>120,957</u>	<u>138,475</u>

**17. Share capital**

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
2,500 (2019 - 2,500) Ordinary shares of £0.50 each	1,250	1,250

**18. Reserves****Profit and loss account**

The profit for the year of £407,775 (2019: £70,977) is included in the profit and loss account.

**19. 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. The pension cost charge represents contributions payable by the Company to the fund and amounted to £277,554 (2019 - £184,760). Contributions totalling £nil (2019 - £81,150) were payable to the fund at the balance sheet date.

---

**ALLIED UNIVERSAL (EUROPE) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**20. Commitments under operating leases**

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	53,306	70,924
Later than 1 year and not later than 5 years	194,257	283,696
Later than 5 years	-	401,903
	<u>247,563</u>	<u>756,523</u>

**21. Parent undertaking**

The parent company of the smallest group of undertakings of which the company is a member, for which group accounts are drawn up is Allied Universal Holdco LLC, whose registered office is 1551 N. Tustin Ave., Suite 650, Santa Ana, CA 92705, United States of America. The ultimate parent undertaking is Allied Universal Topco LLC and group accounts are drawn up for this undertaking.