



**MSecure Limited
Report and Financial Statements**

31 December 2011

Company Number: 5072221

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MSecure Limited

Directors' Report

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2011

Principal activities and business review

MSecure Limited is a security cleared international contractor working in the highly specialised delivery of sensitive buildings and facilities, where security and adherence to government protocols are of paramount importance. We work as a trusted partner to clients, delivering complex construction solutions with minimal disruption, in what are often working environments.

Our services range from initial consultancy advice, through to construction operations and finally ongoing maintenance of buildings which require MSecure management, operatives and supply chain to hold valid security clearances to suit the client's requirements.

With a security cleared workforce and staff, backed by the support of the Mace Group, MSecure completes work with uncompromised quality and safety, anywhere in the world.

In 2011 MSecure grew by taking on larger scale projects based on its strong working relationship with British embassies worldwide. Major works were performed on contracts with the Foreign & Commonwealth Office (FCO) in Brussels, Addis Ababa, Kathmandu, Rome and Sofia. Msecure has recently secured work on a new project, which is now directly contracted with the Foreign & Commonwealth Office (FCO) and this contributed to the significant growth in turnover and profitability.

Results and dividends

The profit for the year after taxation amounted to £427,000 (2010: £268,000). The directors have paid a dividend of £700,000 (2010: nil). No further dividend is proposed.

Going concern

After making appropriate enquiries, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the company's financial statements.

Financial risk management objectives and policies

The board of directors sets out the financial risk management policies that are implemented by the finance department. The Board considers that financial risks do not pose a major threat to the company.

MSecure Limited

Directors' Report

Directors

The directors who held office during the year were

Stephen Haley
Stephen Pycroft
David Vaughan

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which 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 year

In preparing those financial statements, the directors are required to select suitable accounting policies, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 proper accounting records which 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. The directors 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

Insofar as 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

MSecure Limited

Directors' Report

Auditor

Chantrey Vellacott DFK LLP will be reappointed as auditor for the ensuing year in accordance with sections 485-488 of the Companies Act 2006

Signed by order of the directors

A handwritten signature in black ink, appearing to read 'J. Wade', written over a circular stamp or seal.

Jarlath D Wade
Company Secretary

16 April 2012

MSecure Limited

Independent Auditor's Report to the shareholders of MSecure Limited

We have audited the financial statements of MSecure Limited for the year ended 31 December 2011 which comprise the profit and loss account, 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 shareholders, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders 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 2, 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

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 directors, and the overall presentation of the financial statements.

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 December 2011 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.

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.

MSecure Limited

Independent Auditor's Report to the shareholders of MSecure 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 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, reading "Chantrey Vellacott DFK LLP", with a horizontal line underneath.

PAUL FENNER (Senior Statutory Auditor)
for and on behalf of CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Statutory Auditor
London

16 April 2012

MSecure Limited

Profit and Loss Account

Year ended 31 December 2011

		Year Ended 31 December 2011 £000s	Year Ended 31 December 2010 £000s
	Notes		
Turnover	1	5,560	2,252
Cost of sales		<u>(4,566)</u>	<u>(1,634)</u>
Gross profit		994	618
Administrative expenses		<u>(411)</u>	<u>(244)</u>
Profit on ordinary activities before taxation	2	583	374
Tax on profit on ordinary activities	4	<u>(156)</u>	<u>(106)</u>
Profit on ordinary activities after tax		<u>427</u>	<u>268</u>

The company had no recognised gains or losses other than those included in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been presented

All of the above amounts relate to continuing activities

The notes on pages 8 to 12 form part of the financial statements

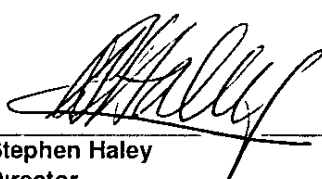
MSecure Limited

Balance Sheet

At 31 December 2011

		At 31 December 2011 £000s	At 31 December 2010 £000s
	Notes		
Fixed assets			
Tangible assets	5	5	15
Current assets			
Debtors	6	1,220	1,454
Cash at bank and in hand		<u>786</u>	<u>103</u>
		2,006	1,557
Current liabilities			
Creditors amounts falling due within one year	7	<u>(1,901)</u>	<u>(1,189)</u>
Net current assets		<u>105</u>	<u>368</u>
Net assets		<u>110</u>	<u>383</u>
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account	10	<u>110</u>	<u>383</u>
Equity shareholders' funds	11	<u>110</u>	<u>383</u>

The financial statements were approved by the Board of Directors and authorised for issue on 16 April 2012 and were signed on its behalf by



Stephen Haley
Director

Company registration number 5072221

The notes on pages 8 to 12 form part of the financial statements

MSecure Limited

Notes to the Financial Statements

Year ended 31 December 2011

1 Accounting Policies

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards and legislation

1.2 Turnover and cost of sales

Turnover represents the value of works completed for UK customers and is net of VAT. Cost of sales comprise direct labour, other direct costs, attributable overheads and provisions for foreseeable losses

1.3 Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on leasehold improvements at a rate calculated to write off the cost, less estimated residual value, over its expected useful life which coincides with the expiration of the lease on the premises

	% per annum	Method
Leasehold improvements	50	Straight line

1.4 Deferred taxation

Deferred tax assets or liabilities are recognised, on a full provision basis, for all material timing differences between the recognition of gains and losses in the financial statements and their recognition in the tax computations

1.5 Pension schemes

The company participates in the group defined contribution pension scheme for staff, the assets of which are held separately from those of the company in an independently administered fund. Contributions to this scheme are charged to the profit and loss account as they become payable

1.6 Cashflow statement

The company is a wholly owned subsidiary undertaking of Mace Group Limited, a company registered in England and Wales. Mace Group Limited prepares consolidated accounts which include a consolidated cashflow statement dealing with the cashflows of the group. MSecure Limited is therefore not required to prepare a cashflow statement for inclusion in its own financial statements

MSecure Limited

Notes to the Financial Statements

Year ended 31 December 2011

1 Accounting Policies

1.7 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. Financial assets such as cash and debtors are measured at the present value of the amounts receivable, less an allowance for the expected level of doubtful receivables. Financial liabilities such as trade creditors, loans and finance leases are measured at the present value of the obligation. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1.8 Related party transactions

The company is a wholly owned subsidiary of Mace Limited, the consolidated financial statements of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the Mace group.

MSecure Limited

Notes to the Financial Statements

Year ended 31 December 2011

2	Profit on ordinary activities before taxation	Year Ended 31 December 2011 £000	Year Ended 31 December 2010 £000
	This is stated after charging		
	Auditor's remuneration	5	5
	Depreciation	10	10
	Staff costs (Note 3)	812	356
	Directors' remuneration (including pension contributions)	29	134

3	Staff costs and numbers	Year Ended 31 December 2011 £000	Year Ended 31 December 2010 £000
	Aggregate gross wages and salaries	797	289
	Social security	10	35
	Pension costs	5	32
		812	356

Average number of persons employed by the company during the year were as follows

	Year Ended 31 December 2011	Year Ended 31 December 2010
Administration	-	1
Project staff	-	3
	-	4

The total number of employees as at the balance sheet date was nil (2010 4)

All staff are employed by Mace International (UK) Limited and the above costs represent those attributable to the projects of the company

4	Tax on profit on ordinary activities (a) Analysis of charge in year	Year Ended 31 December 2011 £000s	Year Ended 31 December 2010 £000s
	Current tax		
	UK corporation tax on results of the year	156	106
	(b) Factors affecting tax charge for year		
	The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 26.5% (2010 28%)		
	The differences are explained below		
	Profit on ordinary activities before tax	583	374
	Tax on profit on ordinary activities at standard corporation tax rate of 26.5% (2010 28%)	154	105
	Effects of		
	Fixed Asset Depreciation	2	1
	Current tax charge for year (Note 4a)	156	106

MSecure Limited

Notes to the Financial Statements

Year ended 31 December 2011

5	Tangible fixed assets		Leasehold Improvements 31/12/2011 £000s
	<i>Cost or Valuation</i>		
	At 1 January 2011		25
	Additions		-
	At 31 December 2011		25
	<i>Depreciation</i>		
	At 1 January 2011		10
	Charge for the year		10
	At 31 December 2011		20
	<i>Net book value</i>		
	At 31 December 2011		5
	At 31 December 2010		15
6	Debtors	At 31 December 2011 £000s	At 31 December 2010 £000s
	Trade debtors	417	-
	Amounts recoverable on contracts	643	1,284
	Taxation and social security receivable	54	-
	Amount owed by fellow subsidiary undertakings	-	170
	Other debtors	106	42
		1,220	1,496
7	Creditors amounts falling due within one year	At 31 December 2011 £000s	At 31 December 2010 £000s
	Trade creditors	20	184
	Amounts owed to immediate parent undertaking	1,781	375
	Taxation and social security payable	-	43
	Accruals and deferred income	100	629
		1,901	1,231
8	Called up share capital	At 31 December 2011 £000s	At 31 December 2010 £000s
	Authorised		
	1,000 Ordinary shares of £1 each	1	1
	Allotted, called up and fully paid		
	1 Ordinary shares of £1 each	-	-

MSecure Limited

Notes to the Financial Statements

Year ended 31 December 2011

9 Ultimate parent undertaking

The company is a subsidiary of Mace Limited. Mace Group Limited is the ultimate parent undertaking. Both companies are registered in England and Wales.

10 Profit and loss account reserves

	Year Ended 31 December 2011 £000s	Year Ended 31 December 2010 £000s
At 1 January	383	115
Retained profit for the year	427	268
Dividend	(700)	-
At 31 December	110	383

11 Reconciliation of movement in shareholders' funds

	Year Ended 31 December 2011 £000s	Year Ended 31 December 2010 £000s
Retained profit for the year	427	268
Dividend	(700)	-
Opening shareholders' funds	383	115
Closing shareholders' funds	110	383

12 Contingent liabilities

The company is party to a group liability arrangement with its principal bankers whereby the group's balances have a right of set-off of all group balances. Whilst certain group companies have overdrawn balances, at 31 December 2011 there is no net group indebtedness to its bankers and therefore the directors consider that no contingency arises.