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MSecure Limited
Report and Financial Statements

31 December 2012

Company Number 5072221

MSecure Limited

Year ended 31 December 2012

Directors Report

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2012

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 and benefitted by the Framework that existed between the FCO and Mace International (UK) Ltd by providing the client with a full turnkey solution. This contract has subsequently expired which contributed to the reduction in turnover along with the reduced government spending due to the current economic climate. MSecure have spent 2012 building up their own relationships working direct with the FCO which has taken a while to develop and has recently secured work on three new projects for 2013. MSecure are now directly contracted with the Foreign & Commonwealth Office (FCO) and this will reinstate the growth in turnover and profitability for the coming years.

Results and dividends

The profit for the year after taxation amounted to £23,000 (2011 £427,000). The directors have paid a dividend of £nil (2011 £700,000).

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.

Charitable and political donations

There were no charitable or political donations in the year (2011 £nil).

Directors

The directors who held office during the period were

Stephen Hale
Stephen Pycroft
David Vaughan

MSecure Limited

Year ended 31 December 2012

Directors Report

Directors' responsibilities (continued)

In preparing those financial statements, the directors are required to select suitable accounting policies and then apply them on a consistent basis, making judgments 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.

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



Elise Mangan
Company Secretary

15 March 2013

MSecure Limited

Year ended 31 December 2012

Independent Auditors Report to the shareholders of MSecure Limited

We have audited the financial statements of MSecure Limited for the year ended 31 December 2012 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 shareholder, 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 shareholder 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 shareholder 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 pages 1 and 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 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 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 31 December 2012 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.

Going concern

After making appropriate enquiries, the directors have a reasonable expectation that the company have 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.

Opinion on other matter 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

Year ended 31 December 2012

Independent Auditors 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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report

A handwritten signature in black ink, reading "Chantrey Vellacott DFK LLP". A horizontal line is drawn under the signature.

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

15 March 2013

MSecure Limited**Year ended 31 December 2012****Profit and Loss Account**

		Year ended 31 December 2012 £000s	Year ended 31 December 2011 £000s
	Notes		
Turnover	1	3,130	5,560
Cost of sales		(2,645)	(4,566)
Gross profit		485	994
Administrative expenses		(454)	(411)
Operating profit	2	31	583
Interest Receivable and similar income		1	-
Profit on ordinary activities before taxation		32	583
Tax on profit on ordinary activities	4	(9)	(156)
Profit on ordinary activities after tax		23	427

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 7 to 11 form part of the Financial Statements

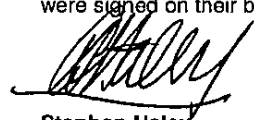
MSecure Limited

Year ended 31 December 2012

Balance Sheet

		At 31 December 2012 £000s	At 31 December 2011 £000s
	<i>Notes</i>		
Fixed assets			
Tangible fixed assets	5	<u>3</u>	<u>5</u>
		3	5
Current assets			
Debtors	6	1,573	1,220
Cash at bank and in hand		<u>1,016</u>	<u>786</u>
		2,589	2,006
Current liabilities			
Creditors amounts falling within the period	7	<u>(2,459)</u>	<u>(1,901)</u>
Net current assets		<u>130</u>	<u>105</u>
Net assets		<u>133</u>	<u>110</u>
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account	10	<u>133</u>	<u>110</u>
Equity shareholders' funds	11	<u>133</u>	<u>110</u>

The financial statements were approved by the Board of Directors and authorised for issue on 15 March 2013 and were signed on their behalf by


Stephen Haley
Director

Company registration number 5072221

The notes on pages 7 to 11 form part of the Financial Statements

MSecure Limited

Year ended 31 December 2012

Notes to the Financial Statements

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 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

1.3 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. The company also participated in an executive pension scheme for the benefit of the Managing Director. Contributions to both schemes are charged to the profit and loss account as they become payable

1.4 Turnover

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

1.5 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

1.6 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

1.7 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 Limited group of companies

1.8 Work-in-progress and long term contracts

Work-in-progress is valued at the lower of cost and net realisable value. Cost includes staff costs plus attributable overhead. Net realisable value is based upon the directors' estimate of future revenues to be generated

Amounts recoverable on long term contracts are stated at cost plus attributable profits less foreseeable losses and progress payments received and receivable and are disclosed under debtors. Cost comprises direct labour and attributable overheads. Attributable profit is that proportion of the total currently estimated to arise over the duration of a contract, which may reasonably be attributed to the work carried out at the balance sheet date

MSecure Limited

Year ended 31 December 2012

Notes to the Financial Statements

1 8 Work-in-progress and long term contracts (continued)

Foreseeable losses are all losses currently expected to arise on contracts in progress, irrespective of their stage of completion at the balance sheet date

Progress payments received in excess of the value of work executed on individual contracts are included in creditors under the heading payments received on account

1 9 Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on leasehold improvements at a rate calculated to write off cost, less estimated residual value over its expected useful life on a straight line basis which coincides with the expiration of the lease on the premises. Depreciation on office equipment is calculated over the period of three years, also on a straight line method.

1 10 Foreign currencies

Assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date.

Trading transactions in foreign currencies are recorded at the rates of exchange ruling at the date of transaction. All differences are taken to the profit and loss account. Differences arising on transactions of a longer term financing nature are taken to reserves.

2	Profit on ordinary activities before taxation	Year ended 31 December 2012 £000s	Year ended 31 December 2011 £000s
	This is stated after charging		
	Auditors' remuneration	4	5
	Depreciation	6	10
	Staff costs (Note 3)	-	812
	Directors remuneration (including pension contributions)	-	29

3	Staff costs and numbers	Year ended 31 December 2012 £000s	Year ended 31 December 2011 £000s
	Aggregate gross wages and salaries	-	797
	Social security	-	10
	Pension costs	-	5
		-	812

Wages and salaries for staff of £701,000 were borne by a fellow group company and recharged to MSecure Limited during the year.

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

Project staff	-	-
Administration	-	-
	-	-

The total number of employees as at the balance sheet date was nil (2011: nil).

MSecure Limited

Year ended 31 December 2012

Notes to the Financial Statements

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Tax on profit on ordinary activities		Year Ended	Year Ended
(a) Analysis of charge in period		31 December	31 December
		2012	2011
		£000s	£000s
Current tax.			
UK corporation tax on results of the period		<u>9</u>	<u>156</u>
(b) Factors affecting tax charge for period			
The tax assessed for the period is less than the standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)			
The differences are explained below			
Profit on ordinary activities before tax		<u>32</u>	<u>583</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)		8	154
Effects of			
Depreciation in excess of capital allowances		1	-
Expenses not deductible for tax purposes		<u>-</u>	<u>2</u>
Current tax charge for period (Note 4a)		<u>9</u>	<u>156</u>

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Tangible fixed assets	Leasehold Improvements £000s	Office Equipment £000s	Total £000s
Cost			
At 31 January 2012	25	-	25
Additions	<u>-</u>	<u>3</u>	<u>3</u>
At 31 December 2012	<u>25</u>	<u>3</u>	<u>28</u>
Depreciation			
At 31 January 2012	20	-	20
Charge for the year	<u>5</u>	<u>-</u>	<u>5</u>
At 31 December 2012	<u>25</u>	<u>-</u>	<u>25</u>
Net book value			
At 31 December 2012	<u>-</u>	<u>3</u>	<u>3</u>
At 31 December 2011	<u>5</u>	<u>-</u>	<u>5</u>

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Debtors	At 31 December 2012 £000s	At 31 December 2011 £000s
Trade debtors	185	417
Amounts recoverable on contracts	803	643
Taxation and social security receivable	56	54
Amount owed by fellow subsidiary undertakings	522	-
Other debtors	<u>7</u>	<u>106</u>
	<u>1,573</u>	<u>1,220</u>

MSecure Limited

Year ended 31 December 2012

Notes to the Financial Statements

7	Creditors: amounts falling due within one year	At 31 December 2012 £000s	At 31 December 2011 £000s
	Trade creditors	197	20
	Amounts owed to immediate parent undertaking	2,218	1,781
	Amount owed to fellow subsidiary undertakings	15	-
	Taxation and social security payable	-	-
	Accruals and deferred income	29	100
		<u>2,459</u>	<u>1,901</u>
8	Called up share capital	At 31 December 2012 £	At 31 December 2011 £
	Authorised		
	1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid		
	1 Ordinary share of £1 each	<u>1</u>	<u>1</u>
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 2012 £000s	Year ended 31 December 2011 £000s
	At 1 January	110	383
	Retained profit for the year	23	427
	Dividend paid to group	-	(700)
	At 31 December	<u>133</u>	<u>110</u>
11	Reconciliation of movement in shareholders' funds	Year ended 31 December 2012 £000s	Year ended 31 December 2011 £000s
	Retained profit for the year	23	427
	Dividend paid to group	-	(700)
	Opening shareholders' funds	110	383
	Closing shareholders' funds	<u>133</u>	<u>110</u>

MSecure Limited

Year ended 31 December 2012

Notes to the Financial Statements

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 2012 there is no net group indebtedness to its bankers and therefore the directors consider that no contingency arises.