
MSECURE LIMITED

UNAUDITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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MSECURE LIMITED

COMPANY INFORMATION

Directors	Dennis Hone Stephen Pycroft Richard Rogers (Resigned 19 th February 2018) Christopher Taylor (Appointed 19 th February 2018)
Company secretary	Carolyn Pate
Registered number	05072221
Registered office	155 Moorgate London EC2M 6XB
Accountants	Moore Stephens LLP Chartered Accountants and Statutory Auditor 150 Aldersgate Street London United Kingdom EC1 4AB
Bankers	Barclays Bank plc London Corporate Banking Level 28 1 Churchill Place London E14 5HP

MSECURE LIMITED

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MSECURE LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report and the financial statements for the year ended 31 December 2017.

Directors

The directors who served during the year were:

Dennis Hone
Stephen Pycroft
Richard Rogers (Resigned 19th February 2018)

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 10th September 2018 and signed on its behalf.


Carolyn Pate
Secretary

MSECURE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £000	2016 £000
Revenue		6,477	2,067
Cost of sales		<u>(5,711)</u>	<u>(1,705)</u>
Gross profit		766	362
Administrative expenses		<u>(577)</u>	<u>(433)</u>
Operating profit/(loss)	4	189	(71)
Tax on profit/(loss)		<u>(33)</u>	<u>(73)</u>
Profit/(loss) for the year		<u>156</u>	<u>(144)</u>

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016: £Nil).

The notes on pages 5 to 11 form part of these financial statements.

MSECURE LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017**

	Note	2017 £000	2016 £000
Non-current assets			
Tangible assets	6	158	-
Current assets			
Stocks	7	90	1,231
Trade and other receivables	8	640	612
Cash at bank and in hand		<u>979</u>	<u>787</u>
		1,709	2,630
Trade and other payables	9	<u>(2,458)</u>	<u>(3,377)</u>
Net current liabilities		<u>(749)</u>	<u>(747)</u>
Net liabilities		<u>(591)</u>	<u>(747)</u>
Capital and reserves			
Accumulated losses		<u>(591)</u>	<u>(747)</u>
		<u>(591)</u>	<u>(747)</u>

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Company was entitled to exemption from audit under section 479A of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10th September 2018.



D Hone
Director

The notes on pages 5 to 11 form part of these financial statements.

MSECURE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Accumulated losses	Total equity
	£000	£000
At 1 January 2017	(747)	(747)
Comprehensive income for the year		
Profit for the year	<u>156</u>	<u>156</u>
At 31 December 2017	<u>(591)</u>	<u>(591)</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Accumulated losses	Total equity
	£000	£000
At 1 January 2016	(603)	(603)
Comprehensive income for the year		
Loss for the year	<u>(144)</u>	<u>(144)</u>
At 31 December 2016	<u>(747)</u>	<u>(747)</u>

The notes on pages 5 to 11 form part of these financial statements.

MSECURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. General information

MSecure Limited is a limited liability company incorporated and domiciled in England & Wales.

The registered office is 155 Moorgate, London, EC2M 6XB and the registered number is 05072221.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of Adopted IFRSs, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Mace Finance Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Mace Finance Limited, are prepared in accordance with IFRS and are available to the public and may be obtained from Companies House.

The financial statements are prepared in Sterling which is the functional currency of the Company and rounded to the nearest £'000.

The preparation of financial statements in compliance with FRS 101 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 following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

2.3 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.

MSECURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.4 Long term contracts

Long term contract work in progress is stated at cost plus attributable profits less foreseeable losses and progress payments received and receivable and is disclosed under receivables. Cost comprises direct labour, trade contractors 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 statement of financial position date. Foreseeable losses are all losses currently expected to arise on contracts in progress, irrespective of their stage of completion at the statement of financial position date. Progress payments receivable in excess of the value of work executed on individual contracts are included in payables.

2.5 Financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables. These are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The principal financial assets and liabilities of the Company are as follows:

Non-current assets

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is calculated so as to write off the cost of a tangible asset less its residual value over the estimated useful economic life of that asset on the following basis:

Leasehold improvements: Over the period of the lease

Computer equipment: 33% per annum on a straight line basis

Fixtures and fittings: 10% to 20% per annum on a straight line basis

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with a maturity of three months or less.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measure at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measure at amortised cost using the effective interest method.

MSECURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.6 Provisions

A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event that can be reliably measure and is probably that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

The provision for doubtful debts is on a percentage of aged receivables. The provision is reviewed and checked to ensure that an appropriate balance is reflected.

2.7 Expenses

Interest receivable and interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in the income statement using the effective interest method, unwinding of the discount on provisions and net foreign exchange losses that are recognised in the income statement. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

2.8 Taxation

Tax is recognised in the Statement of Comprehensive Income, 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 reporting 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 Statement of Financial Position 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 reporting date.

MSECURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006.

In some cases, the accounting treatment of a particular transaction is specifically dictated by Adopted IFRS and does not require management's judgement in its application, while in other cases, significant judgement is required in making estimates, and selecting amount available alternative accounting standards that allow different accounting treatment for similar transactions. These judgements and estimates effect the reported amounts of assets, liabilities, revenue, costs and expenses and related disclosures.

The preparation of financial statements in conformity with Adopted IFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Estimates and judgements are continually made and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates.

The Directors believe the following to be the key areas of estimation and judgement:

Revenue and profit recognition

Revenue is recognised based on the stage of completion of job or contract activity. As described in the accounting policies certain types of services provision pricing mechanisms require minimal judgement; however services provision lump sum construction and construction-type contracts do require judgements and estimates to be made to determine the stage of completion and the expected outcome for the individual contract.

Valuation of accrued revenue and amounts recoverable under construction contracts.

The key judgements and estimates in determining the recoverable amounts of accrued revenue arising from construction and non-construction contracts were:

- an estimation of work completed by subcontractors, as yet unbilled;
- an estimation of costs to complete; and
- an estimation of remaining revenues.

These assessments include a degree of uncertainty and therefore if the key judgements and estimates changes, further adjustments of recoverable amounts may be necessary.

MSECURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

4. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2017 £000	2016 £000
Depreciation of tangible fixed assets	<u>22</u>	<u>-</u>

5. Employees

All staff are employed by Mace International (UK) Limited and during the year £975,000 (2016: £582,000) was recharged to MSecure Limited from Mace International (UK) Limited and Mace Limited. The costs represent those attributable to the projects and administration of the company. It is impractical to estimate the average number of employees utilised on projects of the Company, but the average number of persons employed and utilised on projects undertaken by the Company, its parent company and fellow subsidiaries is disclosed within the report and financial statements of Mace Limited.

6. Tangible non-current assets

	Leasehold improvements £000	Fixtures and Fittings £000	Computer Equipment £000	Total £000
Cost				
At 1 January 2017	-	-	-	-
Additions	<u>153</u>	<u>2</u>	<u>25</u>	<u>180</u>
At 31 December 2017	<u>153</u>	<u>2</u>	<u>25</u>	<u>180</u>
Depreciation				
At 1 January 2017	-	-	-	-
Charge for the year	<u>14</u>	<u>-</u>	<u>8</u>	<u>22</u>
At 31 December 2017	<u>14</u>	<u>-</u>	<u>8</u>	<u>22</u>
Net book value at 31 December 2017	<u>139</u>	<u>2</u>	<u>17</u>	<u>158</u>
Net book value at 31 December 2016	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

MSECURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

7. Stocks

	2017 £000	2016 £000
Work in progress (goods to be sold)	90	1,231
	90	1,231

8. Trade and other receivables

	2017 £000	2016 £000
Trade debtors	441	354
Amounts owed by group undertakings	22	-
Other receivables	177	86
Prepayments and accrued income	-	172
	640	612

9. Trade and other payables

	2017 £000	2016 £000
Trade payables	135	21
Amounts owed to group undertakings	1,879	1,957
Other taxation and social security	70	31
Other payables	-	215
Accruals and deferred income	374	1,153
	2,458	3,377

MSECURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

10. Share capital

	2017 £000	2016 £000
Shares classified as equity		
Allotted, called up and fully paid		
1 (2016 - 1) Ordinary share of £1	-	-

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

11. Contingent liabilities

The Company will accrue for contingent obligations, including estimated legal costs, when the obligation is probable and the amount is reasonable estimable. As facts concerning contingencies become known, the Company reassesses the position and makes appropriate adjustments to the financial statements.

Estimates that are particularly sensitive to future changes include those related to tax, legal, and other regulatory matters, changes in the interpretation and enforcement of international laws, and the impact of local economic conditions and practices, which are all subject to change as events evolve and as additional information becomes available during the administrative and litigation process.

The Company is party to a group liability with its principal bankers, providing a right of set-off of all group balances. Whilst certain group companies have overdrawn balances, at 31 December 2017 there was no net group indebtedness to its bankers and therefore the Directors consider that no contingency arises.

12. Controlling party

The Company is a wholly owned subsidiary of Mace Limited. Mace Finance Limited is the ultimate parent undertaking with Mace Limited being the immediate parent undertaking. Both companies are registered in England and Wales. The results of the Company are included in the consolidated accounts of Mace Finance Limited, copies of which are available from Companies House.