

Registered number
SC212151

Vigilant Security (Scotland) Limited

Report and Financial Statements

30 June 2016

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Vigilant Security (Scotland) Limited
Registered number. SC212151
Directors' Report

The directors present their report and financial statements for the year ended 30 June 2016

Auditors

On 27 July 2016, Grant Thornton UK LLP gave notice of resignation as auditors

Future developments

The directors aim to maintain the management policies which have resulted in the company's substantial growth in recent years. They consider that the next year will show a further significant growth in sales from manned guarding.

Directors

The following persons served as directors during the year

P Williamson
S J F Morley
Lord James Percy
R M Fiorentino

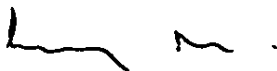
Employee involvement

The Directors ensure that employees are appropriately briefed on the Company's performance and policies on a regular basis.

Employment of disabled persons

The company is an equal opportunities employer. To ensure there is no discrimination in the selection process, applications for employment by disabled people are given full and fair consideration with reference to their aptitude and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the company may continue.

This report was approved by the board on 13 February 2017 and signed on its behalf



S J F Morley
Director

Vigilant Security (Scotland) Limited Strategic Report

The directors present their strategic report for the year ended 30 June 2016

Review of the business

The principle activities during the year continued to be the provision of manned guarding and related services

The key financial and other performance indicators during the year were as follows

	2016 £'000	2015 £'000	Change %
Turnover	14,286	12,497	+14.3%
Gross profit	1,927	1,610	+19.7%
Profit before tax	522	402	+29.9%
Current assets as % of current liabilities	116%	102%	+13.7%
Average number of employees	525	464	+13.1%

The company has had another successful year with the focus continuing to be on delivering a quality service to clients who place value on a reliable and effective security provider which can act as a partner to them in all aspects of physical and electronic security

The increase in turnover and gross profit was due to the retention of all significant clients and the also the securing of new contracts, for example with the NHS and of larger corporates and businesses throughout the UK

As the company grows so does the number of people employed in the business. The average number of employees increased by 13.1% during the year

During the year it was discovered that due to an error in accounting for management fees, staff costs were understated during the prior year ended 30 June 2015 resulting in an overstatement of profits for the that year. Accordingly, the comparative results have been restated and improved controls have been put in place to ensure that intercompany balances are fully reconciled at each month end

Principle risks and uncertainties

Competitive risk

The company has sales contracts which are subject to periodic competitive tender. Renewal of these contracts is uncertain and is based on financial and performance criteria. The company monitors its competitiveness in the market as part of the renewal process and in the process of tendering and of gaining new business, to which more resource has been devoted

Financial instrument Risk

The company is financed mainly through bank borrowings secured on its debtor book up to 90 days. The company enjoys a good relationship with its bankers and was able to trade within its existing facility of £2m. Liquidity risk is managed by a mixture of credit control, customer concentration levels and credit checking and review as part of the take on procedures of new customers

This report was approved by the board on 13 February 2017 and signed on its behalf


S J F Morley
Director

Vigilant Security (Scotland) Limited
Income Statement
for the year ended 30 June 2016

	Notes	2016 £	As restated 2015 £
Turnover	2	14,286,313	12,497,392
Cost of sales		(12,358,920)	(10,887,398)
Gross profit		<u>1,927,393</u>	<u>1,609,994</u>
Administrative expenses		(1,361,969)	(1,168,531)
Operating profit	3	<u>565,424</u>	<u>441,463</u>
Interest payable	6	(43,212)	(39,226)
Profit on ordinary activities before taxation		<u>522,212</u>	<u>402,237</u>
Tax on profit on ordinary activities	7	(61,498)	(11,216)
Profit for the financial year		<u>460,714</u>	<u>391,021</u>

Vigilant Security (Scotland) Limited
Statement of Financial Position
as at 30 June 2016

	Notes	2016 £	As restated 2015 £
Fixed assets			
Tangible assets	8	105,947	126,645
Current assets			
Debtors	9	2,608,805	2,102,115
Cash at bank and in hand		<u>70,258</u>	<u>227,568</u>
		2,679,063	2,329,683
Creditors amounts falling due within one year	10	(2,306,551)	(2,290,278)
Net current assets		372,512	39,405
Total assets less current liabilities		<u>478,459</u>	<u>166,050</u>
Creditors amounts falling due after more than one year	11	(7,334)	(5,294)
Provisions for liabilities			
Deferred taxation	14	-	(345)
Net assets		<u>471,125</u>	<u>160,411</u>
Capital and reserves			
Called up share capital	15	40,000	40,000
Profit and loss account	16	431,125	120,411
Total equity		<u>471,125</u>	<u>160,411</u>

For the year ending 30 June 2016 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

Directors' responsibilities

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts



S J F Morley
 Director

Approved by the board on 13 February 2017

Vigilant Security (Scotland) Limited
Statement of Changes in Equity
for the year ended 30 June 2016

	Share capital	Profit and loss account	Total
	£	£	£
At 1 July 2014 as previously reported	40,000	864,402	904,402
Prior year adjustment from implementation of FRS 102 (note 23)		(135,012)	(135,012)
At 1 July 2014	40,000	729,390	769,390
Profit for the year as previously reported		526,686	526,686
Prior year adjustment from implementation of FRS 102 (note 23)		(21,867)	(21,867)
Correction of prior year error (note 24)		(113,800)	(113,800)
Profit for the financial year as restated		391,021	391,021
Dividends		(1,000,000)	(1,000,000)
At 1 July 2015 as restated	<u>40,000</u>	<u>120,411</u>	<u>160,411</u>
Profit for the financial year		460,714	460,714
Dividends		(150,000)	(150,000)
At 30 June 2016	<u>40,000</u>	<u>431,125</u>	<u>471,125</u>

Vigilant Security (Scotland) Limited
Notes to the Accounts
for the year ended 30 June 2016

1 Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland

These financial statements are the first financial statements that comply with FRS 102. The transition to FRS102 has resulted in some changes to accounting policies used previously and the nature of those changes and their impact on opening equity and profit for the comparative period and explained in note 23

The company has taken advantage of Section 1.12 FRS 102 not to prepare a cashflow statement

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows

Leasehold	over the lease term
Plant and machinery and fixtures	15-25% per annum
Motor vehicles	25% per annum

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method

The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised

Vigilant Security (Scotland) Limited
Notes to the Accounts
for the year ended 30 June 2016

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts

Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price)

Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used

Current and deferred tax assets and liabilities are not discounted

Provisions

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss

Vigilant Security (Scotland) Limited
Notes to the Accounts
for the year ended 30 June 2016

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases.

The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments.

Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life.

Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

2 Analysis of turnover	2016	2015
	£	£
Services rendered	<u>14,286,313</u>	<u>12,497,392</u>
By geographical market		
UK	<u>14,286,313</u>	<u>12,497,392</u>
 3 Operating profit	 2016	 2015
	£	£
This is stated after charging		
Depreciation of owned fixed assets	27,201	16,171
Depreciation of assets held under finance leases and hire purchase contracts	13,074	26,818
Auditors' remuneration for audit services	<u>-</u>	<u>4,400</u>

Vigilant Security (Scotland) Limited
Notes to the Accounts
for the year ended 30 June 2016

4 Directors' emoluments	2016	2015
	£	£
Emoluments	102,500	184,817
Company contributions to defined contribution pension plans	978	-
	<u>103,478</u>	<u>184,817</u>
 Highest paid director		
Emoluments	84,500	101,817
Company contributions to defined contribution pension plans	881	-
	<u>85,381</u>	<u>101,817</u>
 Number of directors to whom retirement benefits accrued	2016	2015
	Number	Number
Defined contribution plans	<u>2</u>	<u>-</u>
 5 Staff costs	2016	As restated
	£	2015
		£
Wages and salaries	11,594,228	10,192,855
Social security costs	1,055,892	926,659
Other pension costs	76,170	64,340
	<u>12,726,290</u>	<u>11,183,854</u>
 Average number of employees during the year	Number	Number
Management and administration	13	13
Service and product provision	512	451
	<u>525</u>	<u>464</u>

Vigilant Security (Scotland) Limited
Notes to the Accounts
for the year ended 30 June 2016

6 Interest payable	2016	2015
	£	£
Bank loans and overdrafts	40,040	33,951
Finance charges payable under finance leases and hire purchase contracts	3,172	5,275
	<u>43,212</u>	<u>39,226</u>

7 Taxation	2016	As restated 2015
	£	£
Analysis of charge in period		
Current tax		
UK corporation tax on profits of the period	71,531	7,246
Adjustments in respect of previous periods	(4,861)	-
	<u>66,670</u>	<u>7,246</u>
Deferred tax		
Origination and reversal of timing differences	(5,172)	3,970
Tax on profit on ordinary activities	<u>61,498</u>	<u>11,216</u>

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 20%. The differences are explained below

	2016	As restated 2015
	£	£
Profit on ordinary activities before tax	<u>522,212</u>	<u>402,237</u>
Standard rate of corporation tax in the UK	20%	20.5%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	104,442	82,459
Effects of		
Expenses not deductible for tax purposes	210	2,201
Group relief claimed	(38,293)	(73,444)
Adjustments to tax charge in respect of previous periods	(4,861)	-
	<u>61,498</u>	<u>11,216</u>
Current tax charge for period		

Vigilant Security (Scotland) Limited
Notes to the Accounts
for the year ended 30 June 2016

8 Tangible fixed assets

	Land and buildings	Plant and machinery	Motor Vehicles	Total
	<i>At cost</i>	<i>At cost</i>	<i>At cost</i>	
	£	£	£	£
Cost or valuation				
At 1 July 2015	69,244	149,004	146,392	364,640
Additions	-	20,034	542	20,576
Disposals	-	-	(5,995)	(5,995)
At 30 June 2016	<u>69,244</u>	<u>169,038</u>	<u>140,939</u>	<u>379,221</u>
Depreciation				
At 1 July 2015	33,613	123,374	81,008	237,995
Charge for the year	2,817	16,977	20,481	40,275
On disposals	-	-	(4,996)	(4,996)
At 30 June 2016	<u>36,430</u>	<u>140,351</u>	<u>96,493</u>	<u>273,274</u>
Carrying amount				
At 30 June 2016	<u>32,814</u>	<u>28,687</u>	<u>44,446</u>	<u>105,947</u>
At 30 June 2015	<u>35,631</u>	<u>25,630</u>	<u>65,384</u>	<u>126,645</u>

	2016	2015
	£	£
Carrying value of plant and machinery included above held under finance leases and hire purchase contracts	<u>34,524</u>	<u>43,389</u>

9 Debtors

	2016	As restated 2015
	£	£
Trade debtors	2,448,124	1,646,163
Amounts owed by group undertakings and undertakings in which the company has a participating interest	-	284,512
Deferred tax asset (see note 14)	4,827	-
Other debtors	155,854	171,440
	<u>2,608,805</u>	<u>2,102,115</u>

Vigilant Security (Scotland) Limited
Notes to the Accounts
for the year ended 30 June 2016

		As restated
	2016	2015
	£	£
10 Creditors amounts falling due within one year		
Bank loans	431,839	-
Obligations under finance lease and hire purchase contracts	11,883	31,733
Trade creditors	91,186	127,704
<i>Amounts owed to group undertakings and undertakings in which the company has a participating interest</i>	869,890	1,394,728
Corporation tax	4,161	(26,510)
Other taxes and social security costs	614,360	474,456
Other creditors	283,232	288,167
	<u>2,306,551</u>	<u>2,290,278</u>
11 Creditors amounts falling due after one year	2016	2015
	£	£
Obligations under finance lease and hire purchase contracts	<u>7,334</u>	<u>5,294</u>
12 Loans	2016	2015
	£	£
Analysis of maturity of debt		
Within one year or on demand	<u>431,839</u>	<u>-</u>
The bank loans are secured on the company debtor book		
13 Obligations under finance leases and hire purchase contracts	2016	2015
	£	£
Amounts payable		
Within one year	11,883	31,733
Within two to five years	7,334	5,294
	<u>19,217</u>	<u>37,027</u>
14 Deferred taxation	2016	As restated 2015
	£	£
Accelerated capital allowances	<u>(4,827)</u>	<u>345</u>
	2016	2015
	£	£
At 1 July	345	345
Credited to the profit and loss account	(5,172)	-
At 30 June	<u>(4,827)</u>	<u>345</u>

Vigilant Security (Scotland) Limited
Notes to the Accounts
for the year ended 30 June 2016

15 Share capital	Nominal value	2016 Number	2016 £	2015 £
Allotted, called up and fully paid Ordinary shares	£1 each	-	40,000	40,000
16 Profit and loss account			2016 £	As restated 2015 £
At 1 July			120,411	729,390
Profit for the financial year			460,714	391,021
Dividends			(150,000)	(1,000,000)
At 30 June			431,125	120,411
17 Dividends			2016 £	2015 £
Dividends on ordinary shares (note 16)			150,000	1,000,000

18 Related party disclosures

The Company has taken advantage of the exemption in paragraph 33 1A of FRS102 not to disclose transactions with other wholly owned members of Croma Security Solutions Group Plc

19 Controlling party

The ultimate parent company and controlling party is Croma Security Solutions Group Plc, a company registered in England and Wales

Croma Security Solutions Group Plc prepares group financial statements and copies can be obtained from the group's website at www.cssgplc.com/investors

20 Presentation currency

The financial statements are presented in Sterling

21 Legal form of entity and country of incorporation

Vigilant Security (Scotland) Limited is a limited company incorporated in Scotland

Vigilant Security (Scotland) Limited
Notes to the Accounts
for the year ended 30 June 2016

22 Principal place of business

The address of the company's principal place of business and registered office is

First Floor Left
 161 Brooms Road
 Dumfries
 DG1 2SH

23 Reconciliations on adoption of FRS 102

Profit and loss for the year ended 30 June 2015	£
Profit under former UK GAAP	412,888
Accrued holiday pay	(21,867)
Profit under FRS 102	<u>391,021</u>
Balance sheet at 30 June 2015	£
Equity under former UK GAAP	182,278
Accrued holiday pay	(21,867)
Equity under FRS 102	<u>160,411</u>
Balance sheet at 1 July 2014	£
Equity under former UK GAAP	904,402
Accrued holiday pay	(135,012)
Equity under FRS 102	<u>769,390</u>

24 Restatement of prior year

Because of an administrative error, an intercompany recharge was processed in the company but not in the corresponding Group company. As a result, for the year ended 30 June 2015 profit before tax was overstated by £142,250 and net assets by £113,800. The necessary corrections have been made by restating the prior year comparative figures in this set of financial statements.