

Registered number
SC212151

Vigilant Security (Scotland) Limited
Report and Financial Statements

30 June 2017

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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 2017.

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 (Resigned 27 February 2107)

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 give 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 1 February 2018 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 2017.

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:

	2017	2016	Change
	£'000	£'000	%
Turnover	16,405	14,286	+14.8%
Gross profit	1,861	1,927	-3.4%
Profit before tax	285	522	-45.4%
Current assets as % of current liabilities	119%	116%	+2.6%
Average number of employees	565	525	+7.6%

The company continues to focus 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. Profitability was impacted by economic factors including wage pressures but also investment in staff and training.

As the company grows so does the number of people employed in the business. The average number of employees increased by 7.6 % during the year.

Principle risks and uncertainties

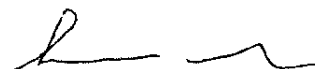
Competitive risk

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 1 February 2018 and signed on its behalf.



S J F Morley
Director

Vigilant Security (Scotland) Limited
Income Statement
for the year ended 30 June 2017

	Notes	2017 £	2016 £
Turnover	2	16,404,627	14,286,313
Cost of sales		(14,543,208)	(12,358,920)
Gross profit		<u>1,861,419</u>	<u>1,927,393</u>
Administrative expenses		(1,528,493)	(1,361,969)
Operating profit	3	<u>332,926</u>	<u>565,424</u>
Interest payable	6	(47,896)	(43,212)
Profit on ordinary activities before taxation		<u>285,030</u>	<u>522,212</u>
Tax on profit on ordinary activities	7	(77,674)	(61,498)
Profit for the financial year		<u>207,356</u>	<u>460,714</u>

Vigilant Security (Scotland) Limited
Statement of Financial Position
as at 30 June 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	8	117,831	105,947
Current assets			
Debtors	9	3,002,632	2,608,805
Cash at bank and in hand		556,331	70,258
		<u>3,558,963</u>	<u>2,679,063</u>
Creditors: amounts falling due within one year	10	(2,998,313)	(2,306,551)
Net current assets		<u>560,650</u>	<u>372,512</u>
Total assets less current liabilities		<u>678,481</u>	<u>478,459</u>
Creditors: amounts falling due after more than one year	11	-	(7,334)
Net assets		<u>678,481</u>	<u>471,125</u>
Capital and reserves			
Called up share capital	15	40,000	40,000
Profit and loss account	16	638,481	431,125
Total equity		<u>678,481</u>	<u>471,125</u>

For the year ending 30 June 2017 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 1 February 2018

Vigilant Security (Scotland) Limited
Statement of Changes in Equity
for the year ended 30 June 2017

	Share capital	Profit and loss account	Total
	£	£	£
At 1 July 2015	40,000	120,411	160,411
Profit for the financial year		460,714	460,714
Dividends		(150,000)	(150,000)
At 1 July 2016	40,000	431,125	471,125
Profit for the financial year		207,356	207,356
At 30 June 2017	40,000	638,481	678,481

Vigilant Security (Scotland) Limited
Notes to the Accounts
for the year ended 30 June 2017

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.

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 2017

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 2017

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	2017	2016
	£	£
Services rendered	<u>16,404,627</u>	<u>14,286,313</u>
By geographical market:		
UK	<u>16,404,627</u>	<u>14,286,313</u>
3 Operating profit	2017	2016
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	34,460	27,201
Depreciation of assets held under finance leases and hire purchase contracts	<u>15,017</u>	<u>13,074</u>

Vigilant Security (Scotland) Limited
Notes to the Accounts
for the year ended 30 June 2017

4 Directors' emoluments	2017	2016
	£	£
Emoluments	99,083	102,500
Company contributions to defined contribution pension plans	1,125	978
	<u>100,208</u>	<u>103,478</u>
Highest paid director:		
Emoluments	87,083	84,500
Company contributions to defined contribution pension plans	1,060	881
	<u>88,143</u>	<u>85,381</u>
Number of directors to whom retirement benefits accrued:	2017	2016
	Number	Number
Defined contribution plans	<u>2</u>	<u>2</u>
5 Staff costs	2017	2016
	£	£
Wages and salaries	13,559,452	11,594,228
Social security costs	1,270,313	1,055,892
Other pension costs	94,293	76,170
	<u>14,924,058</u>	<u>12,726,290</u>
Average number of employees during the year	Number	Number
Management and administration	21	13
Service and product provision	544	512
	<u>565</u>	<u>525</u>

Vigilant Security (Scotland) Limited
Notes to the Accounts
for the year ended 30 June 2017

6 Interest payable	2017 £	2016 £
Bank loans and overdrafts	46,387	40,040
Finance charges payable under finance leases and hire purchase contracts	1,509	3,172
	<u>47,896</u>	<u>43,212</u>

7 Taxation	2017 £	2016 £
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	57,416	71,531
Adjustments in respect of previous periods	18,996	(4,861)
	<u>76,412</u>	<u>66,670</u>
Deferred tax:		
Origination and reversal of timing differences	1,262	(5,172)
Tax on profit on ordinary activities	<u>77,674</u>	<u>61,498</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:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>285,030</u>	<u>522,212</u>
Standard rate of corporation tax in the UK	20%	20.0%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	57,006	104,442
Effects of:		
Expenses not deductible for tax purposes	2,159	35,361
Group relief claimed	(487)	(73,444)
Adjustments to tax charge in respect of previous periods	18,996	(4,861)
Current tax charge for period	<u>77,674</u>	<u>61,498</u>

Vigilant Security (Scotland) Limited
Notes to the Accounts
for the year ended 30 June 2017

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 2016	69,244	169,038	140,939	379,221
Additions	2,600	53,761	5,000	61,361
At 30 June 2017	<u>71,844</u>	<u>222,799</u>	<u>145,939</u>	<u>440,582</u>
Depreciation				
At 1 July 2016	36,430	140,351	96,493	273,274
Charge for the year	2,852	28,099	18,526	49,477
At 30 June 2017	<u>39,282</u>	<u>168,450</u>	<u>115,019</u>	<u>322,751</u>
Carrying amount				
At 30 June 2017	<u>32,562</u>	<u>54,349</u>	<u>30,920</u>	<u>117,831</u>
At 30 June 2016	<u>32,814</u>	<u>28,687</u>	<u>44,446</u>	<u>105,947</u>

	2017	2016
	£	£
Carrying value of plant and machinery included above held under finance leases and hire purchase contracts	<u>19,507</u>	<u>34,524</u>

9 Debtors

	2017	2016
	£	£
Trade debtors	2,817,028	2,448,124
Deferred tax asset (see note 14)	42	4,827
Other debtors	185,562	155,854
	<u>3,002,632</u>	<u>2,608,805</u>

Vigilant Security (Scotland) Limited
Notes to the Accounts
for the year ended 30 June 2017

10 Creditors: amounts falling due within one year	2017	2016
	£	£
Bank loans	11,813	431,839
Obligations under finance lease and hire purchase contracts	6,897	11,883
Trade creditors	250,927	91,186
Amounts owed to group undertakings and undertakings in which the company has a participating interest	525,890	869,890
Corporation tax	105,244	4,161
Other taxes and social security costs	614,533	614,360
Other creditors	1,483,009	283,232
	<u>2,998,313</u>	<u>2,306,551</u>
11 Creditors: amounts falling due after one year	2017	2016
	£	£
Obligations under finance lease and hire purchase contracts	-	7,334
12 Loans	2017	2016
	£	£
Analysis of maturity of debt:		
Within one year or on demand	<u>11,813</u>	<u>431,839</u>
The bank loans are secured on the company debtor book.		
13 Obligations under finance leases and hire purchase contracts	2017	2016
	£	£
Amounts payable:		
Within one year	6,897	11,883
Within two to five years	-	7,334
	<u>6,897</u>	<u>19,217</u>
14 Deferred taxation	2017	2016
	£	£
Accelerated capital allowances	<u>(42)</u>	<u>(4,827)</u>
	2017	2016
	£	£
At 1 July	(4,827)	345
Charged/(credited) to the profit and loss account	4,785	(5,172)
At 30 June	<u>(42)</u>	<u>(4,827)</u>

Vigilant Security (Scotland) Limited
Notes to the Accounts
for the year ended 30 June 2017

15 Share capital	Nominal value	2017 Number	2017 £	2016 £
Allotted, called up and fully paid: Ordinary shares	£1 each	-	40,000	40,000
16 Profit and loss account			2017 £	2016 £
At 1 July			431,125	120,411
Profit for the financial year			207,356	460,714
Dividends			-	(150,000)
At 30 June			638,481	431,125
17 Dividends			2017 £	2016 £
Dividends on ordinary shares (note 16)			-	150,000

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 2017

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