

Registered number: 01369559

Saladin Security Limited

Directors' report and financial statements

For the year ended 30 June 2016

FRIDAY



A5MF52NL

A44

23/12/2016

#359

COMPANIES HOUSE

Saladin Security Limited

Company Information

Directors

E Rimell
D J Walker
D H D Walker

Company secretary

S E Merrick

Registered number

01369559

Registered office

7 Abingdon Road
London
W8 6AH

Independent auditors

Kreston Reeves LLP
Statutory Auditor & Chartered Accountants
Third Floor
24 Chiswell Street
London
EC1Y 4YX

Saladin Security Limited

Contents

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 14

Saladin Security Limited

Directors' report For the year ended 30 June 2016

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

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Principal activity

The principal activity of the company is that of security consultancy and provision of security services.

Directors

The directors who served during the year were:

E Rimell
D J Walker
D H D Walker

Future developments

The Directors are monitoring the risk and assessing the implications to the company following the result of the EU Referendum in June 2016.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Saladin Security Limited

**Directors' report
For the year ended 30 June 2016**

Auditors

The auditors, Kreston Reeves LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

This report was approved by the board on 14 Dec 16 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'E Rimell', written in a cursive style.

E Rimell
Director

Saladin Security Limited

Independent auditors' report to the shareholders of Saladin Security Limited

We have audited the financial statements of Saladin Security Limited for the year ended 30 June 2016, set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, 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 members those matters we are required to state to them in an Auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' responsibilities statement, 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 the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 30 June 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

Saladin Security Limited

Independent auditors' report to the shareholders of Saladin Security 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 to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.



Shirley Smith FCCA MAAT (Senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Statutory Auditor
Chartered Accountants

Third Floor
24 Chiswell Street
London
EC1Y 4YX

Date:

16 December 2016

Saladin Security Limited

Profit and loss account For the year ended 30 June 2016

	Note	2016 £	2015 £
Turnover	1	5,011,223	5,439,785
Cost of sales		(3,804,562)	(4,012,597)
		<hr/>	<hr/>
Gross profit		1,206,661	1,427,188
Administrative expenses		(758,349)	(986,958)
		<hr/>	<hr/>
Operating profit	3	448,312	440,230
Interest receivable and similar income		21,732	81,452
Amounts written off investments and loans	4	(213,723)	(252,411)
Interest payable and similar charges		-	(751)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		256,321	268,520
Tax on profit on ordinary activities	6	(97,013)	(115,580)
		<hr/>	<hr/>
Profit for the financial year	13	159,308	152,940
		<hr/>	<hr/>

The notes on pages 7 to 14 form part of these financial statements.

Saladin Security Limited
Registered number: 01369559

Balance sheet
As at 30 June 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	7		28,392		36,447
Investments	8		42,782		68,139
			<u>71,174</u>		<u>104,586</u>
Current assets					
Debtors	9	1,215,809		1,889,038	
Cash at bank and in hand		472,611		296,012	
		<u>1,688,420</u>		<u>2,185,050</u>	
Creditors: amounts falling due within one year	10	(533,404)		(1,183,385)	
Net current assets			<u>1,155,016</u>		<u>1,001,665</u>
Total assets less current liabilities			<u>1,226,190</u>		<u>1,106,251</u>
Capital and reserves					
Called up share capital	12		10,000		10,000
Share premium account	13		27,000		27,000
Profit and loss account	13		1,189,190		1,069,251
Shareholders' funds	14		<u>1,226,190</u>		<u>1,106,251</u>

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



14 December 2016

E Rimell
Director

The notes on pages 7 to 14 form part of these financial statements.

Saladin Security Limited

Notes to the financial statements For the year ended 30 June 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.2 Group accounts

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.3 Cash flow

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.4 Turnover

Turnover comprises amounts receivable for services supplied, exclusive of Value Added Tax and trade discounts. Turnover is recognised on the value of work undertaken during the year as contracts progress.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	Straight line over the life of the lease
Plant and machinery	-	25% Reducing balance
Motor vehicles	-	25% Reducing balance
Fixtures and fittings	-	25% Reducing balance

1.6 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.7 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Saladin Security Limited

Notes to the financial statements For the year ended 30 June 2016

1. Accounting policies (continued)

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

2. Turnover

63.9% of the company's turnover (2015 - 66.4%) is attributable to geographical markets outside the United Kingdom.

3. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the company	9,464	12,392
Auditors' remuneration	13,600	7,500
Pension costs	30,808	29,782
	<hr/>	<hr/>

4. Amounts written off investments and loans

	2016 £	2015 £
Loans from group undertakings written off	-	(1,106,384)
Provision against loans to group undertakings	213,723	827,186
Provision against loans made to related entities	-	400,000
Impairment against investment in subsidiary undertakings	-	131,609
	<hr/>	<hr/>
	213,723	252,411
	<hr/>	<hr/>

Saladin Security Limited

Notes to the financial statements For the year ended 30 June 2016

5. Directors' remuneration

	2016 £	2015 £
Aggregate remuneration	<u>234,315</u>	<u>150,678</u>

6. Taxation

	2016 £	2015 £
Analysis of tax charge in the year		
Current tax		
UK corporation tax charge on profit for the year	96,781	116,110
Deferred tax (see note 11)		
Origination and reversal of timing differences	232	(530)
Tax on profit on ordinary activities	<u>97,013</u>	<u>115,580</u>

7. Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Total £
Cost			
At 1 July 2015	6,000	291,446	297,446
Additions	-	1,409	1,409
At 30 June 2016	<u>6,000</u>	<u>292,855</u>	<u>298,855</u>
Depreciation			
At 1 July 2015	6,000	254,999	260,999
Charge for the year	-	9,464	9,464
At 30 June 2016	<u>6,000</u>	<u>264,463</u>	<u>270,463</u>
Net book value			
At 30 June 2016	<u>-</u>	<u>28,392</u>	<u>28,392</u>
At 30 June 2015	<u>-</u>	<u>36,447</u>	<u>36,447</u>

Saladin Security Limited

Notes to the financial statements For the year ended 30 June 2016

8. Fixed asset investments

	Investments in subsidiary companies £	Investments in associates £	Loans to subsidiaries £	Loans to associates £	Total £
Cost					
At 1 July 2015	371	131,609	742,331	152,623	1,026,934
Additions	-	-	190,080	-	190,080
Repayments	-	-	-	(26,025)	(26,025)
Foreign exchange movement	-	-	-	24,311	24,311
At 30 June 2016	371	131,609	932,411	150,909	1,215,300
Impairment					
At 1 July 2015	-	131,609	700,000	127,186	958,795
Charge for the year	-	-	190,000	23,723	213,723
At 30 June 2016	-	131,609	890,000	150,909	1,172,518
Net book value					
At 30 June 2016	371	-	42,411	-	42,782
At 30 June 2015	371	-	42,331	25,437	68,139

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Securite Sans Frontieres (Pty) Limited	Ordinary shares	55%
Saladin Kenya Limited	Ordinary shares	90%

Name	Principal activity	Country of registration
Securite Sans Frontieres (Pty) Limited	Provision of security services	South Africa
Saladin Kenya Limited	Provision of security services	Kenya

The aggregate of the share capital and reserves as at 30 June 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Securite Sans Frontieres (Pty) Limited	116,550	32,281
Saladin Kenya Limited	(357,051)	173,506

Saladin Security Limited

Notes to the financial statements For the year ended 30 June 2016

8. Fixed asset investments (continued)

Associates

Name	Country of incorporation	Class of shares	Holding	Principal activity
Saladin DMCC	United Arab Emirates	Ordinary	25%	Holding company

Saladin DMCC holds an effective 100% interest in the issued share capital of Saladin Company for Security & Protection Services Limited, a company incorporated in Iraq whose principal activity is the provision of security services.

9. Debtors

	2016 £	2015 £
Trade debtors	857,761	1,464,491
Other debtors	352,735	419,002
Deferred tax asset (see note 11)	5,313	5,545
	<u>1,215,809</u>	<u>1,889,038</u>

10. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	46,925	73,866
Corporation tax	34,968	65,662
Other taxation and social security	147,515	142,023
Other creditors	303,996	901,834
	<u>533,404</u>	<u>1,183,385</u>

Saladin Security Limited

Notes to the financial statements For the year ended 30 June 2016

11. Deferred tax asset

	2016 £	2015 £
At beginning of year	5,545	5,015
(Charge for)/released during year (P&L)	(232)	530
At end of year	<u>5,313</u>	<u>5,545</u>

The deferred tax asset is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	<u>5,313</u>	<u>5,545</u>

12. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
10,000 Ordinary shares shares of £1 each	<u>10,000</u>	<u>10,000</u>

13. Reserves

	Share premium account £	Profit and loss account £
At 1 July 2015	27,000	1,069,251
Profit for the financial year		159,308
Dividends: Equity capital		(39,369)
At 30 June 2016	<u>27,000</u>	<u>1,189,190</u>

14. Reconciliation of movement in shareholders' funds

	2016 £	2015 £
Opening shareholders' funds	1,106,251	953,311
Profit for the financial year	159,308	152,940
Dividends (Note 15)	(39,369)	-
Closing shareholders' funds	<u>1,226,190</u>	<u>1,106,251</u>

Saladin Security Limited

Notes to the financial statements For the year ended 30 June 2016

15. Dividends

	2016 £	2015 £
Dividends paid on equity capital	<u>39,369</u>	<u>-</u>

16. Contingent liabilities

At 30 June 2016, the bank borrowings of the Saladin Holdings Limited group were secured by way of cross guarantee and debenture over the company's fixed and floating assets.

The company has guaranteed contracts entered into by related entities up to a maximum limit of \$33,440.

17. Operating lease commitments

At 30 June 2016 the company had annual commitments under non-cancellable operating leases as follows:

	2016 £	2015 £
Expiry date:		
Between 2 and 5 years	<u>53,762</u>	<u>55,050</u>

Saladin Security Limited

Notes to the financial statements For the year ended 30 June 2016

18. Related party transactions

During the year, the company made the following transactions with related parties:

The company made additional net loans of £190,080 to its subsidiary undertaking Saladin Kenya Limited. A provision of £190,000 has been made against these additional loans. At the balance sheet date Saladin Kenya Limited owed the company £932,411 (2015: £742,331) against which provisions totalling £890,000 (2015: £700,000) had been made. The loans and provisions are included within fixed asset investments.

The company was repaid £26,025 by its associate undertaking Saladin Company for Security and Protection Services Limited. Foreign exchange re-translation entries relating to these loans increased their value in the reporting currency by £24,311. A provision of £23,723 has been made against the increase in value. At the balance sheet date Saladin Company for Security and Protection Services Limited owed the company £150,909 (2015: £152,623) against which provisions totalling £150,909 (2015: £127,186) had been made. The loans and provisions are included within fixed asset investments.

During the year, the company also entered into the following transactions with companies related through the interests of D J Walker:

The company was repaid £7,541 by Saladin Ghana Limited. At the balance sheet date Saladin Ghana Limited owed the company £381,757 (2015: £389,298) against which provisions totalling £300,000 (2015: £300,000) had been made. In addition the company received funds of £116,388 on behalf of Saladin Ghana Limited, duly paid over after the balance sheet date. These amounts are included in debtors due within one year.

The company charged interest of £21,732 (2015: £81,451) to African Camp Solutions Limited. Foreign exchange re-translation entries relating to loans made to African Camp Solutions Limited increased their value in the reporting currency by £62,866. At the balance date African Camp Solutions Limited owed the company £399,909 (2015: £337,043) against which provisions totalling £100,000 (2015: £100,000) had been made. These amounts are included in debtors due within one year.

The company levied management charges of £81,142 (2015: £38,222) to Veteran Security Services Limited.

The company made management charges of £NIL (2015: £360,000) to Saladin Holdings Limited. At the balance sheet date the company owed £NIL (2015: £72,108) to Saladin Holdings Limited.

19. Post balance sheet events

The Directors proposed dividends of £70,000 after 30 June 2016. Following the provisions of the Financial Reporting Standard for Smaller Entities (effective January 2015) this has not been reported as a dividend payable at the balance sheet date.

20. Controlling party

The company is under the control of D J Walker, a Director of the company.