

Registered number: 01369559

Saladin Security Limited

Directors' report and financial statements

For the Year Ended 30 June 2017

Saladin Security Limited

Company Information

Directors	E Rimell D J Walker D H D Walker
Registered number	01369559
Registered office	7 Abingdon Road London W8 6AH
Independent auditor	Kreston Reeves LLP Statutory Auditor & Chartered Accountants Third Floor 24 Chiswell Street London EC1Y 4YX

Contents

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 5
Statement of income and retained earnings	6
Balance sheet	7
Notes to the financial statements	8 - 16

**Directors' report
For the Year Ended 30 June 2017**

The directors present their report and the financial statements for the year ended 30 June 2017.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements 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 to 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

Disclosure of information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the 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 auditor is aware of that information.

Auditor

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

Directors' report (continued)
For the Year Ended 30 June 2017

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 28 March 2018 and signed on its behalf.

E Rimell
Director

Independent auditor's report to the shareholders of Saladin Security Limited

Opinion

We have audited the financial statements of Saladin Security Limited (the 'Company') for the year ended 30 June 2017, which comprise the Statement of income and retained earnings, the Balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2017 and of its loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

Independent auditor's report to the shareholders of Saladin Security Limited (continued)

knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the shareholders of Saladin Security Limited (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Allan Pinner FCCA (Senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Statutory Auditor
Chartered Accountants

Third Floor
24 Chiswell Street
London
EC1Y 4YX

29 March 2018

**Statement of income and retained earnings
For the Year Ended 30 June 2017**

	Note	2017 £	2016 £
Turnover		5,029,662	5,011,223
Cost of sales		(3,861,146)	(3,804,562)
Gross profit		1,168,516	1,206,661
Administrative expenses		(1,857,452)	(758,349)
Operating (loss)/profit		(688,936)	448,312
Amounts written off investments		55,074	(213,723)
Interest receivable and similar income		12,917	21,732
(Loss)/profit before tax		(620,945)	256,321
Tax on (loss)/profit		131,312	(97,013)
(Loss)/profit after tax		(489,633)	159,308
Retained earnings at the beginning of the year		1,189,190	1,069,251
(Loss)/profit for the year		(489,633)	159,308
Dividends declared and paid		(670,000)	(39,369)
Retained earnings at the end of the year		29,557	1,189,190

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

The notes on pages 8 to 16 form part of these financial statements.

Balance sheet
As at 30 June 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	24,502	28,392
Investments	6	361	42,782
		24,863	71,174
Current assets			
Debtors: amounts falling due within one year	7	526,917	1,215,809
Cash at bank and in hand		513,689	472,611
		1,040,606	1,688,420
Creditors: amounts falling due within one year	8	(398,910)	(533,404)
Net current assets		641,696	1,155,016
Creditors: amounts falling due after more than one year	9	(600,000)	-
Net assets		66,559	1,226,190
Capital and reserves			
Called up share capital	11	10,002	10,000
Share premium account		27,000	27,000
Profit and loss account		29,557	1,189,190
		66,559	1,226,190

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 March 2018.

E Rimell

Director

The notes on pages 8 to 16 form part of these financial statements.

**Notes to the financial statements
For the Year Ended 30 June 2017**

1. General information

Saladin Security Limited (Company Number 01369559) is a limited liability company incorporated in England and Wales. The address of the registered office is 7 Abindgon Road, London, W8 6AH.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 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. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**Notes to the financial statements
For the Year Ended 30 June 2017**

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**Notes to the financial statements
For the Year Ended 30 June 2017**

2. Accounting policies (continued)

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of income and retained earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of income and retained earnings within 'other operating income'.

2.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

2.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.13 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance sheet date.

**Notes to the financial statements
For the Year Ended 30 June 2017**

2. Accounting policies (continued)

2.14 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, 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 balance sheet 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 Balance sheet 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 balance sheet date.

Notes to the financial statements
For the Year Ended 30 June 2017

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

The preparation of the financial statements requires the directors to make judgments, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though that the actual outcomes could differ significantly from those estimates.

The following judgement has had the most significant impact on amounts recognised in the financial statements:

Loans

The company has made loans to related party undertakings, of which full recovery is uncertain. At the balance sheet date, the company has made provisions of £1,437,126 (2016: 1,572,518) against certain loans owing by related party undertakings (see note 13).

4. Employees

The average monthly number of employees, including directors, during the year was 80 (2016 - 76).

5. Tangible fixed assets

	Leasehold improvements	Plant and machinery	Total
	£	£	£
Cost or valuation			
At 1 July 2016	6,000	292,855	298,855
Additions	-	3,275	3,275
At 30 June 2017	6,000	296,130	302,130
Depreciation			
At 1 July 2016	6,000	264,463	270,463
Charge for the year on owned assets	-	7,165	7,165
At 30 June 2017	6,000	271,628	277,628
Net book value			
At 30 June 2017	-	24,502	24,502
At 30 June 2016	-	28,392	28,392

Notes to the financial statements
For the Year Ended 30 June 2017

6. Fixed asset investments

	Investments in subsidiary companies £	Investments in associates £	Loans to subsidiaries £	Loans to associates £	Total £
Cost or valuation					
At 1 July 2016	371	131,609	932,411	150,909	1,215,300
Additions	-	-	-	3,056	3,056
Disposals	(10)	(131,609)	(49,250)	(153,965)	(334,834)
At 30 June 2017	<u>361</u>	<u>-</u>	<u>883,161</u>	<u>-</u>	<u>883,522</u>
Impairment					
At 1 July 2016	-	131,609	890,000	150,909	1,172,518
Charge for the period	-	-	(6,839)	3,056	(3,783)
Impairment on disposals	-	(131,609)	-	(153,965)	(285,574)
At 30 June 2017	<u>-</u>	<u>-</u>	<u>883,161</u>	<u>-</u>	<u>883,161</u>
Net book value					
At 30 June 2017	<u>361</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>361</u>
At 30 June 2016	<u>371</u>	<u>-</u>	<u>42,411</u>	<u>-</u>	<u>42,782</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity	of
Saladin Kenya Limited	Kenya	Ordinary	90 %	Provision security services	

The aggregate of the share capital and reserves as at 30 June 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Saladin Kenya Limited	<u>(549,101)</u>	<u>(134,769)</u>

**Notes to the financial statements
For the Year Ended 30 June 2017**

7. Debtors

	2017 £	2016 £
Trade debtors	210,618	857,761
Other debtors	222,226	318,382
Prepayments and accrued income	54,229	34,353
Deferred taxation	39,844	5,313
	<u>526,917</u>	<u>1,215,809</u>

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	61,644	46,925
Corporation tax	-	34,968
Other taxation and social security	123,433	147,515
Other creditors	168,739	85,693
Accruals and deferred income	45,094	218,303
	<u>398,910</u>	<u>533,404</u>

9. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Other creditors	600,000	-
	<u>600,000</u>	<u>-</u>

10. Deferred taxation

	2017 £
At beginning of year	5,313
Charged to profit or loss	34,531
At end of year	<u><u>39,844</u></u>

Notes to the financial statements
For the Year Ended 30 June 2017

10. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2017 £
Accelerated capital allowances	4,733
Tax losses carried forward	<u>35,111</u>

11. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
10,002 (2016 - 10,000) Ordinary shares shares of £1 each	<u>10,002</u>	<u>10,000</u>

12. Commitments under operating leases

At 30 June 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	55,645	55,762
Later than 1 year and not later than 5 years	<u>24,739</u>	<u>80,585</u>
	<u>80,384</u>	<u>136,347</u>

**Notes to the financial statements
For the Year Ended 30 June 2017**

13. Related party transactions

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

The company was repaid £49,250 of loans made to its subsidiary undertaking Saladin Kenya Limited. A release of £6,839 has been made against a provision made against these loans. At the balance sheet date Saladin Kenya Limited owed the company £883,161 (2016: £932,411) against which provisions totalling £883,161 (2016: £890,000) 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 £41,985 by Saladin Ghana Limited. At the balance sheet date Saladin Ghana Limited owed the company £339,772 (2016: £381,757) against which provisions totalling £300,000 (2016: £300,000) had been made. These amounts are included in debtors due within one year.

Foreign exchange re-translation entries relating to loans made to Saladin Company for Security and Protection Services Limited increased their value in the reporting currency by £3,056. A provision of £3,056 has been made against the increase in value. At the balance sheet date Saladin Company for Security and Protection Services Limited owed the company £153,965 (2016: £150,909) against which provisions totalling £153,965 (2016: £150,909) had been made. These amounts are included in debtors due within one year.

The company was repaid £236,062 by 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 £13,212. At the balance date African Camp Solutions Limited owed the company £177,059 (2016: £399,909) against which provisions totalling £100,000 (2016: £100,000) had been made. These amounts are included in debtors due within one year.

The company levied management charges of £40,211 (2016: £81,142) to Veteran Security Services Limited.

14. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.