

Company Registration No. 02548101 (England and Wales)

ANCHOR SECURITY SERVICES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020
PAGES FOR FILING WITH REGISTRAR



ANCHOR SECURITY SERVICES LIMITED

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ANCHOR SECURITY SERVICES LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	3		8,000		9,000
Tangible assets	4		475,857		351,294
			<u>483,857</u>		<u>360,294</u>
Current assets					
Stocks		14,080		14,025	
Debtors	5	4,811,523		4,309,227	
Cash at bank and in hand		79		89	
		<u>4,825,682</u>		<u>4,323,341</u>	
Creditors: amounts falling due within one year	6	<u>(4,817,443)</u>		<u>(4,395,101)</u>	
Net current assets/(liabilities)			8,239		(71,760)
Total assets less current liabilities			<u>492,096</u>		<u>288,534</u>
Creditors: amounts falling due after more than one year	7		(261,319)		(44,287)
Provisions for liabilities			<u>(57,250)</u>		<u>(45,566)</u>
Net assets			<u><u>173,527</u></u>		<u><u>198,681</u></u>
Capital and reserves					
Called up share capital			20,103		20,103
Share premium account			84,552		84,552
Profit and loss reserves			68,872		94,026
Total equity			<u><u>173,527</u></u>		<u><u>198,681</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 12 March 2021 and are signed on its behalf by:



A W Harper

Director

Company Registration No. 02548101

ANCHOR SECURITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting policies

Company information

Anchor Security Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is Seasons House, Lakeside Business Village, Ewloe, Deeside, CH5 3YE.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.3 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

ANCHOR SECURITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Office equipment	20% on cost
Fixtures and fittings	10% on cost
Computers	20% on cost
Motor vehicles	20% or 33% on cost
Site equipment	33% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

ANCHOR SECURITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting policies

(Continued)

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

ANCHOR SECURITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

ANCHOR SECURITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting policies

(Continued)

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.15 Related party exemption

The company has taken advantage of the exemption conferred by FRS102 Section 33.1A not to disclose transactions with other wholly owned subsidiaries within the group.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Total	346	339

3 Intangible fixed assets

	Goodwill £
Cost	
At 1 November 2019 and 31 October 2020	20,000
Amortisation and impairment	
At 1 November 2019	11,000
Amortisation charged for the year	1,000
At 31 October 2020	12,000
Carrying amount	
At 31 October 2020	8,000
At 31 October 2019	9,000

ANCHOR SECURITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

4 Tangible fixed assets

	Office equipment £	Fixtures and fittings £	Computers £	MotorSite equipment vehicles £	Total £
Cost					
At 1 November 2019	31,288	243,332	227,763	122,347	1,489,067
Additions	8,361	66,829	44,492	78,800	321,391
Disposals	-	-	-	(78,770)	(78,770)
At 31 October 2020	39,649	310,161	272,255	122,377	1,731,688
Depreciation and impairment					
At 1 November 2019	25,458	238,724	199,428	110,970	1,137,773
Depreciation charged in the year	2,955	10,335	15,784	432	185,887
Eliminated in respect of disposals	-	-	-	(67,829)	(67,829)
At 31 October 2020	28,413	249,059	215,212	43,573	1,255,831
Carrying amount					
At 31 October 2020	11,236	61,102	57,043	78,804	475,857
At 31 October 2019	5,830	4,608	28,335	11,377	351,294

5 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	2,962,666	2,622,758
Other debtors	380,042	230,044
Prepayments and accrued income	1,422,238	1,400,339
	4,764,946	4,253,141
Amounts falling due after more than one year:		
Prepayments and accrued income	46,577	56,086
Total debtors	4,811,523	4,309,227

The trade debtors balance includes £2,930,800 (2019: £1,956,088) which is covered by an invoice discounting arrangement. These assets have not been derecognised from the balance sheet because the company remains ultimately responsible for any unpaid balances, so the directors consider significant risks to have been retained.

ANCHOR SECURITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

6 Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans and overdrafts	21,242	19,058
Trade creditors	597,787	698,269
Corporation tax	15,923	9,519
Other taxation and social security	1,175,048	1,025,717
Other creditors	3,007,443	2,642,538
	<u>4,817,443</u>	<u>4,395,101</u>

The other loans and hire purchase liabilities are secured on the assets concerned.

The bank overdraft is secured via an unscheduled Mortgage Debenture dated 20 January 1993 incorporating a fixed and floating charge over all current and future assets of the company.

The amounts owed to invoice discounting is secured by way of a fixed and floating charge dated 6 May 2003 and 20 October 2005.

There is a cross guarantee between Anchor Group Services Ltd, Anchor Security Services Limited and Anchor Cleaning Services Limited dated 17 September 2010.

7 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Bank loans and overdrafts	46,068	-
Taxation and social security	150,944	-
Other creditors	64,307	44,287
	<u>261,319</u>	<u>44,287</u>

The hire purchase liabilities are secured on the assets concerned.

Creditors which fall due after five years are as follows:

	2020 £	2019 £
Payable by instalments	<u>6,160</u>	<u>-</u>

8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Alastair Gould FCA.

The auditor was McEwan Wallace Limited.

ANCHOR SECURITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

8 Audit report information

(Continued)

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2020	2019
£	£
95,313	140,941

10 Events after the reporting date

Following the emergence of the COVID-19 pandemic and the subsequent introduction of the government lockdowns starting 5 November 2020 and 5 January 2021, the Company took immediate action to mitigate the effect on trading and cash reserves.

Customers who were identified on the government list of enforced closures were immediately contacted and where appropriate their service suspended. This limited the potential debt issues that are expected to follow this and helped reduce our operational cost in terms of wasted visits.

We also took the following action to conserve cash and maintain some form of operational efficiency:

1. Ongoing funding facilities were agreed with our bank
2. Staff were furloughed, and
3. All non-essential expenditure cancelled

These actions saw operations remain cash generative and as businesses start to reopen the directors are seeing revenues increase and the directors are in constant contact with the customers to ensure that the service restarts the moment they open.

The directors are confident that the business will remain profitable and cash generative over the next twelve months and that the company will continue as a going concern.

11 Related party transactions

The company has taken the exemption conferred by FRS 102 Section 33 not to disclose transactions with wholly owned subsidiary entities.

12 Directors' transactions

Dividends totalling £0 (2019 - £0) were paid in the year in respect of shares held by the company's directors.

The below loans are unsecured, interest free and repayable on demand.