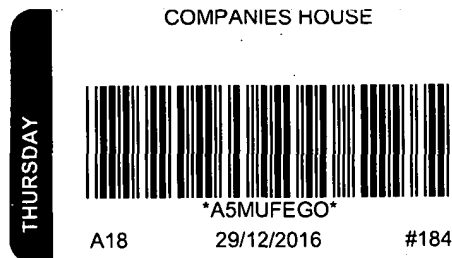


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COMPANY REGISTRATION NUMBER: 02769392

Elite Security Products Limited
Financial Statements
30 April 2016



ACCA

Registered in England & Wales
Dominique House 1 Church Road Netherton Dudley West Midlands DY2 0LY
Registered as Auditors by the Association of Chartered Certified Accountants

Elite Security Products Limited

Financial Statements

Year ended 30 April 2016

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Elite Security Products Limited

Officers and Professional Advisers

The board of directors

Mr G C Mordue
Mr S Taylor
Mr N Baldwin

Company secretary

J Rogers

Registered office

Unit 7
Target Park Shawbank Road
Lakeside
Redditch
Worcestershire
B98 8YN

Auditor

GCN (Auditing) Limited
Chartered accountant & statutory auditor
Dominique House
1 Church Road
Netherton
Dudley
West Midlands
DY2 0LY

Elite Security Products Limited

Directors' Report

Year ended 30 April 2016

The directors present their report and the financial statements of the company for the year ended 30 April 2016.

Directors

The directors who served the company during the year were as follows:

Mr P R Dawson

Mr G C Mordue

Mr S Taylor

Mr N Baldwin

(Appointed 19 April 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 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Elite Security Products Limited

Directors' Report *(continued)*

Year ended 30 April 2016

This report was approved by the board of directors on 19 December 2016 and signed on behalf of the board by:



Mr G C Mordue
Director

Registered office:
Unit 7
Target Park Shawbank Road
Lakeside
Redditch
Worcestershire
B98 8YN

Elite Security Products Limited

Independent Auditor's Report to the Shareholder of Elite Security Products Limited

Year ended 30 April 2016

We have audited the financial statements of Elite Security Products Limited for the year ended 30 April 2016 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's shareholder, 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 shareholder 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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 April 2016 and of its profit 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.

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.

Elite Security Products Limited

Independent Auditor's Report to the Shareholder of Elite Security Products Limited *(continued)*

Year ended 30 April 2016

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; and
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



Martin Bradley FCCA (Senior Statutory Auditor)

For and on behalf of
GCN (Auditing) Limited
Chartered accountant & statutory auditor

Dominique House
1 Church Road
Netherton
Dudley
West Midlands
DY2 0LY

19 December 2016

Elite Security Products Limited
Statement of Income and Retained Earnings
Year ended 30 April 2016

	Note	2016 £	2015 £
Turnover	3	5,795,124	5,046,011
Cost of sales		<u>3,595,594</u>	<u>3,092,789</u>
Gross profit		2,199,530	1,953,222
Administrative expenses		<u>1,615,020</u>	<u>1,454,861</u>
Operating profit	4	584,510	498,361
Interest payable and similar charges	7	<u>11,230</u>	<u>12,007</u>
Profit on ordinary activities before taxation		573,280	486,354
Tax on profit on ordinary activities	8	<u>122,396</u>	<u>103,175</u>
Profit for the financial year and total comprehensive income		<u>450,884</u>	<u>383,179</u>
Retained earnings at the start of the year		3,068,666	2,685,487
Retained earnings at the end of the year		<u>3,519,550</u>	<u>3,068,666</u>

All the activities of the company are from continuing operations.

The notes on pages 9 to 16 form part of these financial statements.

Elite Security Products Limited

Statement of Financial Position

30 April 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	9	838,809	867,692
Current assets			
Stocks	10	1,315,982	1,764,054
Debtors	11	3,273,712	2,578,239
Cash at bank and in hand	12	76,358	96,025
		<u>4,666,052</u>	<u>4,438,318</u>
Creditors: amounts falling due within one year	13	<u>1,603,161</u>	<u>1,802,465</u>
Net current assets		<u>3,062,891</u>	<u>2,635,853</u>
Total assets less current liabilities		<u>3,901,700</u>	<u>3,503,545</u>
Creditors: amounts falling due after more than one year	14	<u>381,150</u>	<u>433,879</u>
Net assets		<u><u>3,520,550</u></u>	<u><u>3,069,666</u></u>
Capital and reserves			
Called up share capital	17	1,000	1,000
Profit and loss account	18	3,519,550	3,068,666
Shareholder funds		<u><u>3,520,550</u></u>	<u><u>3,069,666</u></u>

These financial statements were approved by the board of directors and authorised for issue on 19 December 2016, and are signed on behalf of the board by:



Mr G C Mordue
Director

Company registration number: 02769392

The notes on pages 9 to 16 form part of these financial statements.

Elite Security Products Limited

Statement of Cash Flows

Year ended 30 April 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Profit for the financial year		450,884	383,179
<i>Adjustments for:</i>			
Depreciation of tangible assets		40,444	52,204
Interest payable and similar charges		11,230	12,007
Tax on profit on ordinary activities		122,396	103,175
Accrued expenses		68,597	38,909
<i>Changes in:</i>			
Stocks		448,072	(102,095)
Trade and other debtors		(695,473)	(95,269)
Trade and other creditors		(260,487)	(253,653)
Cash generated from operations		185,663	138,457
Interest paid		(11,230)	(12,007)
Tax paid		(103,822)	(77,388)
Net cash from operating activities		<u>70,611</u>	<u>49,062</u>
Cash flows from investing activities			
Purchase of tangible assets		(11,561)	(28,840)
Net cash used in investing activities		<u>(11,561)</u>	<u>(28,840)</u>
Cash flows from financing activities			
Proceeds from borrowings		(45,568)	57,839
Proceeds from loans from group undertakings		—	(2,850)
Payments of finance lease liabilities		(15,073)	(14,284)
Net cash (used in)/from financing activities		<u>(60,641)</u>	<u>40,705</u>
Net (decrease)/increase in cash and cash equivalents		(1,591)	60,927
Cash and cash equivalents at beginning of year		34,145	(26,782)
Cash and cash equivalents at end of year	12	<u>32,554</u>	<u>34,145</u>

The notes on pages 9 to 16 form part of these financial statements.

Elite Security Products Limited

Notes to the Financial Statements

Year ended 30 April 2016

1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

2. Accounting policies

Basis of preparation

The financial statements are in accordance with applicable accounting standards.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 May 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 22.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Elite Security Products Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2016

2. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold property	- 2% straight line
Fixtures and fittings	- 15% straight line
Motor vehicles	- 25% reducing balance
Computer equipment	- 33% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Elite Security Products Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2016

2. Accounting policies *(continued)*

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

3. Turnover

Turnover arises from:

	2016 £	2015 £
Sale of goods	<u>5,795,124</u>	<u>5,046,011</u>

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2016 £	2015 £
United Kingdom	5,439,614	4,807,169
Overseas	<u>355,510</u>	<u>238,842</u>
	<u>5,795,124</u>	<u>5,046,011</u>

4. Operating profit

Operating profit or loss is stated after charging:

	2016 £	2015 £
Depreciation of tangible assets	40,444	52,204
Defined contribution plans expense	12,143	14,348
Fees payable for the audit of the financial statements	<u>9,700</u>	<u>7,390</u>

Elite Security Products Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2016

5. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2016 No.	2015 No.
Production staff	6	6
Administrative staff	12	11
Management staff	5	5
	<u>23</u>	<u>22</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2016 £	2015 £
Wages and salaries	837,867	750,205
Social security costs	96,605	98,837
Other pension costs	12,143	14,348
	<u>946,615</u>	<u>863,390</u>

6. Directors' remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2016 £	2015 £
Remuneration	130,610	102,364
Company contributions to defined contribution pension plans	12,143	14,348
	<u>142,753</u>	<u>116,712</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2016 No.	2015 No.
Defined contribution plans	<u>1</u>	<u>1</u>

7. Interest payable and similar charges

	2016 £	2015 £
Interest on banks loans and overdrafts	10,389	10,461
Interest on obligations under finance leases and hire purchase contracts	756	1,546
Other interest payable and similar charges	85	—
	<u>11,230</u>	<u>12,007</u>

Elite Security Products Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2016

8. Tax on profit on ordinary activities

Major components of tax expense

	2016 £	2015 £
Current tax:		
UK current tax expense	122,396	106,162
Adjustments in respect of prior periods	–	(2,987)
Total current tax	<u>122,396</u>	<u>103,175</u>
Tax on profit on ordinary activities	<u>122,396</u>	<u>103,175</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20.92%).

	2016 £	2015 £
Profit on ordinary activities before taxation	<u>573,280</u>	<u>486,354</u>
Profit on ordinary activities by rate of tax	114,656	101,745
Adjustment to tax charge in respect of prior periods	–	(2,987)
Effect of expenses not deductible for tax purposes	4,573	2,662
Effect of capital allowances and depreciation	3,167	1,767
Rounding on tax charge	–	(12)
Tax on profit on ordinary activities	<u>122,396</u>	<u>103,175</u>

9. Tangible assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost					
At 1 May 2015	899,700	73,481	44,875	96,587	1,114,643
Additions	–	9,522	–	2,039	11,561
At 30 Apr 2016	<u>899,700</u>	<u>83,003</u>	<u>44,875</u>	<u>98,626</u>	<u>1,126,204</u>
Depreciation					
At 1 May 2015	101,250	50,225	12,621	82,855	246,951
Charge for the year	18,000	6,841	8,064	7,539	40,444
At 30 Apr 2016	<u>119,250</u>	<u>57,066</u>	<u>20,685</u>	<u>90,394</u>	<u>287,395</u>
Carrying amount					
At 30 Apr 2016	<u>780,450</u>	<u>25,937</u>	<u>24,190</u>	<u>8,232</u>	<u>838,809</u>
At 30 Apr 2015	<u>798,450</u>	<u>23,256</u>	<u>32,254</u>	<u>13,732</u>	<u>867,692</u>

The directors consider that the difference between net book and market values of leasehold land and building is not significant.

Elite Security Products Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2016

9. Tangible assets *(continued)*

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Motor vehicles £
At 30 April 2016	24,190
At 30 April 2015	<u>32,254</u>

10. Stocks

	2016 £	2015 £
Finished goods and goods for resale	<u>1,315,982</u>	<u>1,764,054</u>

11. Debtors

	2016 £	2015 £
Trade debtors	1,370,507	1,077,685
Amounts owed by group undertakings	1,848,862	1,448,862
Prepayments and accrued income	54,343	50,692
Other debtors	—	1,000
	<u>3,273,712</u>	<u>2,578,239</u>

All amounts under debtors fall due for payment within one year.

12. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2016 £	2015 £
Cash at bank and in hand	76,358	96,025
Bank overdrafts	<u>(43,804)</u>	<u>(61,880)</u>
	<u>32,554</u>	<u>34,145</u>

13. Creditors: amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	94,624	112,147
Trade creditors	395,800	684,606
Accruals and deferred income	186,437	117,840
Corporation tax	122,396	103,822
Social security and other taxes	77,582	100,510
Obligations under finance leases and hire purchase contracts	6,608	15,073
Other creditors	719,714	668,467
	<u>1,603,161</u>	<u>1,802,465</u>

Elite Security Products Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2016

13. Creditors: amounts falling due within one year *(continued)*

The bank loan of £50,820 (2015 : £50,267) is secured by a first legal charge over the long leasehold property and a floating charge over the other assets of the company. The loan is repayable by October 2024 on monthly repayments and interest is charged at 1.75% over base rate.

Secured other creditors of £719,714 (2015 : £668,467) relate to an invoice discounting arrangement. This is secured upon the trade debtors of the company.

Hire purchase liabilities of £6,608 (2015: £15,073) are secured on the assets to which they relate.

14. Creditors: amounts falling due after more than one year

	2016 £	2015 £
Bank loans and overdrafts	381,150	427,271
Obligations under finance leases and hire purchase contracts	—	6,608
	<u>381,150</u>	<u>433,879</u>

The bank loan of £381,150 (2015 : £427,271) is secured by a first legal charge over the long leasehold property and a floating charge over the other assets of the company. The loan is repayable by October 2024 on monthly repayments and interest is charged at 1.75% over base rate.

Hire purchase liabilities of £nil (2015: £6,608) are secured on the assets to which they relate.

15. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2016 £	2015 £
Not later than 1 year	6,608	15,073
Later than 1 year and not later than 5 years	—	6,608
	<u>6,608</u>	<u>21,681</u>

16. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £12,143 (2015: £14,348).

Elite Security Products Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2016

17. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

18. Reserves

Profit and loss account - this reserve records retained earnings and accumulated losses.

19. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2016	2015
	£	£
Not later than 1 year	12,501	37,440
Later than 1 year and not later than 5 years	84,290	34,661
	<u>96,791</u>	<u>72,101</u>

Total liabilities under operating leases at 30 April 2016 are £96,791 (2015: £72,101).

20. Related party transactions

The company was under the control of Elite Security Products Holdings Limited throughout the current period by virtue of its ownership of 100% of the ordinary share capital.

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

The ultimate parent company is Scolmore (International) Limited. The company has an omnibus guarantee and set off agreement in favour of this company's bankings arrangement.

21. Controlling party

The immediate parent company is Elite Security Products Holdings Limited.

The ultimate parent company is Scolmore (International) Limited. The consolidated accounts of Scolmore (International) Ltd can be obtained from its registered office address - 1 Scolmore Park, Landsberg, Lichfield Road Industrial Estate, Tamworth, Staffordshire, B79 7XB.

22. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 May 2014.

No transitional adjustments were required in equity or profit or loss for the year.