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**T.S.S. (TOTAL SECURITY SERVICES) LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 OCTOBER 2020**

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**T.S.S. (TOTAL SECURITY SERVICES) LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	R L Gardezi ACA J Caplin R S Chadha B Musgrove
<b>Company secretary</b>	Edwin Coe Secretaries Limited
<b>Registered number</b>	02426982
<b>Registered office</b>	The Curve 18 Hickman Avenue Highams Park London E4 9JG
<b>Independent auditor</b>	Barnes Roffe LLP Chartered Accountants  Statutory Auditor Leytonstone House Leytonstone London E11 1GA

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T.S.S. (TOTAL SECURITY SERVICES) LIMITED

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CONTENTS

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	Page
Strategic report	1 - 4
Directors' report	5 - 7
Independent auditor's report	8 - 10
Statement of comprehensive income	11
Balance sheet	12
Statement of changes in equity	13
Statement of cash flows	14
Notes to the financial statements	15 - 30

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 OCTOBER 2020**

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**Introduction**

T.S.S. (Total Security Services) Limited's ("the company") principal activities continue to be that of the provision of a range of security, manpower and associated support services.

**Business review**

We continue with our commitment to work according to prudent principles for the long term benefit of shareholders, employees and clients alike. This allows us to invest further in the company's resources to underpin profitable growth based on sound planning. The company is continually expanding its client base and the number of new enquiries from prospective clients continues to increase.

The directors are satisfied with the performance of the company. Turnover has increased by 29% to £126,727,079 (2019 - £97,973,140). As at 31 October 2020 the company had a current liquidity ratio of 1.25 (2019 - 1.94). The company continues to ensure that it conforms to consistently high standards of service delivery. Further performance indicators can be found on the statement of comprehensive income.

The company considers its key performance indicators to be its gross profit, operating profit, and net assets. Gross profit and operating profit both increased in the current year. There was a reduction in net assets as a result of the company repurchasing and cancelling 300 Ordinary shares of £1 each for a cash consideration of £8.1 million.

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 OCTOBER 2020**

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**Principal risks and uncertainties**

**Regulatory and legislative risks**

As a security provider, the company is registered and approved by the Security Industry Authority (SIA) under the Private Industry Act 2001. Multiple annual reviews are carried out by the NSI (National Security Inspectorate). The company regularly updates its policies and procedures to ensure compliance with required standards and changing legislation or regulation.

In addition, the company has an obligation to meet Health and Safety requirements, which it does through internal policies and procedures and through using the services of external specialist advisers where necessary and accreditation to ISO18001.

**Financial risk management policy**

The company's financial instruments comprise cash, trade debtors and creditors, plus certain other debtors and creditors. The main risks associated with these financial assets and liabilities are set out below.

**Credit risk**

The company policy is aimed at minimising such risk, and collection of debts is actively managed to ensure that payments are received in a timely manner. The company's customers have a good payment history and therefore the directors believe the company's exposure to bad debts is not significant.

**Liquidity risk**

The company is funded by way of an invoice discounting facility and operational cash generation. The liquidity risk is managed through the company's finance function. The company generates operational cash surpluses and day to day cash flow is maintained by retaining surplus cash in readily accessible bank accounts. Working capital requirements are met through the readily available cash or through the banking facilities which the company does have recourse to.

**Market price risk**

The directors do not believe that, due to the nature of the company's principal activity, the company is exposed to significant movement in market prices of its services.

**Global pandemic**

The company did see a significant increase in trading as a result of the pandemic, and as a result was able to support its retail grocery clients and the initiative to feed the nation with its services that aiding in ensuring the compliance with government's guidelines was adhered to.

The company had to remain prudent in managing its finances to ensure long term sustainability. As a result, the impact to the business for both a financial and employee perspective has been minimal.

The added growth achieved from the additional work during the pandemic has been replaced with the growth of existing accounts, or the acquisition of new business. The company does not therefore expect a decline in trading performance into the future.

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 OCTOBER 2020**

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**Directors' statement of compliance with duty to promote the success of the company**

As the Directors of TSS (Total Security Services) Limited we have a legal responsibility under section 172 of the Companies Act 2006 to act in the way we consider, in good faith, would be most likely to promote the company's success for the benefit of its members as a whole, and to have regard to the long-term effect of our decisions on the company and its stakeholders and in doing so must have regard to the following:

- the likely consequences of any decision in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company.'

Our key stakeholders, and the ways in which we engage with them, are as follows, and are aligned with our core values of Teamwork, Innovation, Excellence, Respect, Integrity, and Potential:

**Employees**

TSS intends to attract the best staff and management available and be the first choice, not only for our customers, but also for those seeking employment in the security profession.

We seek to continually improve and raise standards, further professionalising our industry and the role of the security officer.

People are at the heart of everything we do. We will continue to invest in both the futures of our staff and the growth and prosperity of the company, embracing new technologies and smarter ways of working we will continue to maintain our position as the UK's No.1 security provider.

**Customers and suppliers**

TSS recognises the current challenges and risks that our customers face when it comes to security. With our years of sector-based knowledge and experience, we can provide them with bespoke and associated security solutions.

Our unique combination of manned guarding resources and technological solutions allows us to create the strongest value propositions for our customers. TSS remain committed to creating long-term partnerships with our clients through our intelligence-led and innovative approach.

TSS, strive to build long standing, sustainable relationships with the suppliers to ensure mutual benefit, and always aim to be honest and transparent in line with the company culture, whilst ensuring we pay every supplier on time every time.

**Community and Environment**

In addition to financial and technical investments, we pride ourselves on investing in the wellbeing and development of our employees whilst giving back to the communities we work in and minimising our impact on the environment.

**Standards of Business Conduct**

The Gold Standard in Security. At TSS, we take the time to understand our clients' business and security needs. Our 30-years of experience within the security industry allows us to recommend the best solutions and provide clients with a dedicated account manager to work with.

We pride ourselves on the quality services we provide to valued partners who benefit from the wide range of services that we offer, all of which are supported by our dynamic data analytics, crime hub intelligence and innovative technological accomplishments.

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 OCTOBER 2020**

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**Employee involvement**

A naturally diverse, well trained, reliable, motivated, and informed management team and workforce is essential to the successful provision of a first-class security manpower service to clients of the quality served by the company. All security staff are trained in accordance with required British Standards and receive the additional specialist training required to satisfy clients' needs. Suitable and interested employees share equal opportunities for further training and career development. It is company policy to promote from within the company where possible.

The business continues to consult with employees at all levels to ensure that their feedback is taken into account during decision making processes that are likely to affect their interests. Employees are informed on a regular basis of current activities, progress and general matters of interest by various methods, including monthly management and operating meetings, scheduled visits to the sites at which they are based and the circulation of the T.S.S. newsletter.

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

**J Caplin**  
Director

Date: 30 July 2021

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 OCTOBER 2020**

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The directors present their report and the financial statements for the year ended 31 October 2020.

**Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

**Results and dividends**

The profit for the year, after taxation, amounted to £2,103,079 (2019 - £934,722).

The directors do not recommend payment of a final dividend.

**Directors**

The directors who served during the year were:

R L Gardezi ACA  
J Caplin  
R S Chadha (appointed 1 March 2020)  
B Musgrove (appointed 1 September 2020)

**Future developments**

The directors' aim is to maintain the management policies which have resulted in the company's sustainability and growth in recent years.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 OCTOBER 2020**

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**Research and development activities**

During the year the company conducted research and development in respect of the development of a new software application.

**Disabled employees**

The company's policy is to provide equal opportunities for employees. It has always been the policy of the company to encourage, whenever practical, the employment, training and advancement of disabled employees.

**Greenhouse gas emissions, energy consumption and energy efficiency action**

The company's greenhouse gas emissions and energy consumption are as follows:

	2020
Emissions resulting from activities for which the company is responsible involving the combustion of gas or consumption of fuel for the purposes of transport (in tonnes of CO2 equivalent)	302
Emissions resulting from the purchase of the electricity by the company for its own use, including the purposes of transport (in tonnes of CO2 equivalent)	57
Energy consumed from activities for which the company is responsible involving the combustion of gas, or the consumption of fuel for the purposes of transport, and the annual quantity of energy consumed resulting from the purchase of electricity by the company for its own use, including for the purposes of transport, in kWh	<u>5,970,816</u>

The emissions and energy consumption information disclosed were calculated using SECR methodology, as specified in "Environmental reporting guidelines: including Streamlined Energy and Carbon Reporting and greenhouse gas reporting" used in conjunction with Government GHG reporting conversion factors.

**Measures taken to increase energy efficiency during the period**

We are committed to responsible energy management and will practise energy efficiency throughout our organisation wherever it is cost effective. We recognise that climate change is one of the most serious environmental challenges currently threatening the global community and we understand we have a role to play in reducing greenhouse gas emissions.

We have implemented the policies below for the purpose of increasing the businesses energy efficiency in the relevant financial year.

- Moved to remote home working due to Covid, and will review when the situation permits.
- Implemented and encouraged use of video conferencing.
- Travel reduced due to Covid.

The company's intensity ratio for the period was 19.5 kg CO2 equivalent per square foot.

**Matters covered in the strategic report**

Certain matters which are considered by the directors to have strategic importance have been shown in the strategic report rather than in the directors' report. These comprise the directors' review of the business, a summary of the principal risks and uncertainties applicable to the company, a statement concerning employee involvement, and the directors' statement of compliance with their duty to promote the success of the company.

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**T.S.S. (TOTAL SECURITY SERVICES) LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 OCTOBER 2020**

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**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.

**Post balance sheet events**

There have been no significant events affecting the company since the year end.

**Auditor**

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

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

**J Caplin**

Director

Date: 30 July 2021

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF T.S.S. (TOTAL SECURITY SERVICES) LIMITED**

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**Opinion**

We have audited the financial statements of T.S.S. (Total Security Services) Limited (the 'company') for the year ended 31 October 2020, which comprise the statement of comprehensive income, the balance sheet, the statement of cash flows, the statement of changes in equity 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2020 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.

**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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF T.S.S. (TOTAL SECURITY SERVICES) LIMITED (CONTINUED)**

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**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 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 strategic report or 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF T.S.S. (TOTAL SECURITY SERVICES) LIMITED (CONTINUED)**

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**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

**Auditor's 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

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.

Graham Wallace (senior statutory auditor)  
for and on behalf of  
**Barnes Roffe LLP**  
Chartered Accountants

Statutory Auditor  
Leytonstone House  
Leytonstone  
London  
E11 1GA

Date: 30 July 2021

**T.S.S. (TOTAL SECURITY SERVICES) LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 OCTOBER 2020**

		2020 £	2019 £
Turnover	4	126,727,079	97,973,140
Cost of sales		(109,096,083)	(83,763,873)
<b>Gross profit</b>		<b>17,630,996</b>	<b>14,209,267</b>
Administrative expenses		(15,095,932)	(13,282,844)
Other operating income	5	2,330	3,479
<b>Operating profit</b>	<b>6</b>	<b>2,537,394</b>	<b>929,902</b>
Interest receivable and similar income	11	10,075	30,003
Interest payable and similar charges	12	(65,869)	(1,849)
<b>Profit before tax</b>		<b>2,481,600</b>	<b>958,056</b>
Tax on profit	13	(378,521)	(23,334)
<b>Profit for the financial year</b>		<b>2,103,079</b>	<b>934,722</b>

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 15 to 30 form part of these financial statements.

All amounts relate to continuing operations.

**T.S.S. (TOTAL SECURITY SERVICES) LIMITED**  
**REGISTERED NUMBER: 02426982**

**BALANCE SHEET**  
**AS AT 31 OCTOBER 2020**

		2020	2019
		£	£
<b>Fixed assets</b>			
Tangible assets	14	1,679,306	2,167,118
<b>Current assets</b>			
Debtors: amounts falling due within one year	15	30,927,105	19,041,067
Cash at bank and in hand	16	7,176,744	8,324,498
		<u>38,103,849</u>	<u>27,365,565</u>
Creditors: amounts falling due within one year	17	(30,390,260)	(14,069,760)
<b>Net current assets</b>		<u>7,713,589</u>	<u>13,295,805</u>
<b>Total assets less current liabilities</b>		<u>9,392,895</u>	<u>15,462,923</u>
<b>Provisions for liabilities</b>			
Deferred tax	19	-	(32,607)
Other provisions	20	(687,533)	(687,533)
		<u>(687,533)</u>	<u>(720,140)</u>
<b>Net assets</b>		<u><u>8,705,362</u></u>	<u><u>14,742,783</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	190	490
Capital redemption reserve	22	810	510
Profit and loss account	22	8,704,362	14,741,783
		<u><u>8,705,362</u></u>	<u><u>14,742,783</u></u>

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

**J Caplin**  
 Director

Date: 30 July 2021

The notes on pages 15 to 30 form part of these financial statements.

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T.S.S. (TOTAL SECURITY SERVICES) LIMITED

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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 OCTOBER 2020

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	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
<b>At 1 November 2018</b>	490	510	13,807,061	13,808,061
Profit for the year	-	-	934,722	934,722
<b>At 1 November 2019</b>	490	510	14,741,783	14,742,783
Profit for the year	-	-	2,103,079	2,103,079
Purchase of own shares	-	300	(8,140,500)	(8,140,200)
Shares cancelled during the year	(300)	-	-	(300)
<b>At 31 October 2020</b>	<u>190</u>	<u>810</u>	<u>8,704,362</u>	<u>8,705,362</u>

The notes on pages 15 to 30 form part of these financial statements.

T.S.S. (TOTAL SECURITY SERVICES) LIMITED

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 OCTOBER 2020**

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	2,103,079	934,722
<b>Adjustments for:</b>		
Depreciation of tangible assets	350,943	474,792
Profit on disposal of tangible assets	(7,224)	(182,175)
Interest paid	65,869	1,849
Interest received	(10,075)	(30,003)
Taxation charge	378,521	23,334
(Increase)/decrease in debtors	(11,927,571)	258,353
Increase/(decrease) in creditors	15,860,522	(1,853,664)
Corporation tax received	90,383	112,528
	6,904,447	(260,264)
<b>Net cash generated from operating activities</b>		
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(118,926)	(416,035)
Sale of tangible fixed assets	263,019	504,591
Interest received	10,075	30,003
	154,168	118,559
<b>Net cash from investing activities</b>		
<b>Cash flows from financing activities</b>		
Purchase of ordinary shares	(8,140,500)	-
Interest paid	(65,869)	(1,849)
	(8,206,369)	(1,849)
<b>Net cash used in financing activities</b>		
<b>Net (decrease) in cash and cash equivalents</b>	(1,147,754)	(143,554)
Cash and cash equivalents at beginning of year	8,324,498	8,468,052
	7,176,744	8,324,498
<b>Cash and cash equivalents at the end of year</b>		
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	7,176,744	8,324,498
	7,176,744	8,324,498

The notes on pages 15 to 30 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020**

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**1. General information**

T.S.S. (Total Security Services) Limited ("the company") is a private company limited by shares, incorporated in England and Wales. Its registered office is The Curve, 18 Hickman Avenue, Highams Park, London E4 9JG. Its registration number is 02426982.

The principal activity of the company is that of the provision of a range of security, manpower and associated support services.

**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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Going concern**

The financial statements have been prepared on a going concern basis.

**2.3 Revenue recognition**

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:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due; and
- the costs incurred or to be incurred in respect of the contract can be measured reliably.

The company provides a range of security, manpower and associated support services to its customers. Revenue from these services is recognised in accordance with the hours worked.

Any differences between the amounts invoiced to customers and the amounts to be recognised in accordance with the hours worked are treated as accrued income and included within debtors falling due within one year in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020

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**2. Accounting policies (continued)**

**2.4 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.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method or using the reducing balance basis, as applicable.

Depreciation is provided on the following annual bases:

Freehold property	- Not depreciated
Leasehold property	- Over the lease term
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 25% reducing balance
Computer equipment	- 33.33% straight line

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 profit or loss.

**2.5 Debtors and creditors**

Short term debtors are measured at transaction price, less any impairment. Short term creditors are measured at the transaction price.

**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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020

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**2. Accounting policies (continued)**

**2.7 Financial instruments**

The company only enters into basic financial instrument 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 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 comprehensive income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

**2.8 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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

**2.9 Operating leases: the company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020

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2. Accounting policies (continued)

2.10 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 profit or loss 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.

2.11 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 profit or loss 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.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 31 OCTOBER 2020

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2. Accounting policies (continued)

2.13 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

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

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Significant judgments in applying the company's accounting policies

The company does not consider there to be any significant judgments in applying accounting policies.

b) Critical accounting estimates and assumptions

The company considers the following critical accounting estimates and assumptions to exist:

*Contract deductions*

The company recognises liabilities in respect of certain payroll deductions. These liabilities may sometimes remain outstanding when employees leave the company.

Based on the length of time since the individuals in question have left the company, management estimate whether or not certain of these amounts remain payable. However, no such outstanding amounts were estimated to be no longer payable, and hence written off, during the current or prior years.

*Provisions*

The company has estimated the level of provision required in respect of additional payroll liabilities, as described in Note 20, below, based on management's experience and the amounts paid during the year and subsequent to the year end.

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T.S.S. (TOTAL SECURITY SERVICES) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020

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4. Turnover

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	125,473,497	96,759,755
Rest of Europe	1,253,582	1,213,385
	<u>126,727,079</u>	<u>97,973,140</u>

5. Other operating income

	2020 £	2019 £
Sundry income	<u>2,330</u>	<u>3,479</u>

6. Operating profit

The operating profit is stated after charging/(crediting):

	2020 £	2019 £
Depreciation of tangible fixed assets	350,943	474,792
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	12,500	12,500
Exchange differences	(7,081)	(2,605)
Other operating lease rentals	1,291,116	1,629,808
Defined contribution pension cost	<u>1,537,617</u>	<u>1,303,669</u>

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T.S.S. (TOTAL SECURITY SERVICES) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020

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7. Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	<u>12,500</u>	<u>12,500</u>
<b>Fees payable to the company's auditor and its associates in respect of:</b>		
Taxation compliance services	-	15,820
All other services	<u>10,500</u>	<u>23,059</u>

8. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	98,645,322	83,460,640
Social security costs	7,463,926	5,915,781
Cost of defined contribution scheme	1,537,617	1,303,669
	<u>107,646,865</u>	<u>90,680,090</u>

9. Employee numbers

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Office and management	169	182
Guarding	5,121	4,770
	<u>5,290</u>	<u>4,952</u>

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T.S.S. (TOTAL SECURITY SERVICES) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020

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10. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	2,171,722	1,284,143
Company contributions to defined contribution pension schemes	960	30,000
	<u>2,172,682</u>	<u>1,314,143</u>

During the year retirement benefits were accruing to 2 directors (2019 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £1,413,026 (2019 - £1,115,482).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2019 - £NIL).

11. Interest receivable and similar income

	2020 £	2019 £
Bank and other interest	<u>10,075</u>	<u>30,003</u>

12. Interest payable and similar charges

	2020 £	2019 £
Bank interest	134	1,100
Other interest	65,735	749
	<u>65,869</u>	<u>1,849</u>

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T.S.S. (TOTAL SECURITY SERVICES) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020

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13. Taxation

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	415,631	46,091
<b>Total current tax</b>	<u>415,631</u>	<u>46,091</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(37,110)	(22,757)
<b>Total deferred tax</b>	<u>(37,110)</u>	<u>(22,757)</u>
<b>Taxation on profit on ordinary activities</b>	<u>378,521</u>	<u>23,334</u>

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T.S.S. (TOTAL SECURITY SERVICES) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020

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13. Taxation (continued)

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>2,481,600</u>	<u>958,056</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	471,504	182,031
<b>Effects of:</b>		
Income and expenses not allowable/deductible for tax purposes, other than goodwill amortisation and impairment	69,456	4,834
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(162,439)	(163,531)
<b>Total tax charge for the year</b>	<u>378,521</u>	<u>23,334</u>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

T.S.S. (TOTAL SECURITY SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020

14. Tangible fixed assets

	Leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 November 2019	2,219,842	846,672	173,540	215,763	3,455,817
Additions	45,488	31,878	1,775	39,785	118,926
Disposals	-	(464,182)	-	-	(464,182)
At 31 October 2020	<u>2,265,330</u>	<u>414,368</u>	<u>175,315</u>	<u>255,548</u>	<u>3,110,561</u>
<b>Depreciation</b>					
At 1 November 2019	683,573	337,611	99,662	167,853	1,288,699
Charge for the year on owned assets	224,771	62,539	18,914	44,719	350,943
Disposals	-	(208,387)	-	-	(208,387)
At 31 October 2020	<u>908,344</u>	<u>191,763</u>	<u>118,576</u>	<u>212,572</u>	<u>1,431,255</u>
<b>Net book value</b>					
At 31 October 2020	<u>1,356,986</u>	<u>222,605</u>	<u>56,739</u>	<u>42,976</u>	<u>1,679,306</u>
<b>At 31 October 2019</b>	<u>1,536,269</u>	<u>509,061</u>	<u>73,878</u>	<u>47,910</u>	<u>2,167,118</u>

The net book value of land and buildings may be further analysed as follows:

	2020 £	2019 £
Long leasehold property	16,845	17,041
Short leasehold improvements	1,340,141	1,519,228
	<u>1,356,986</u>	<u>1,536,269</u>

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T.S.S. (TOTAL SECURITY SERVICES) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020

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15. Debtors

	2020	2019
	£	£
Trade debtors	30,208,643	18,289,423
Other debtors	123,509	209,206
Prepayments	592,194	542,438
Deferred taxation	2,759	-
	<u>30,927,105</u>	<u>19,041,067</u>

16. Cash and cash equivalents

	2020	2019
	£	£
Cash at bank and in hand	<u>7,176,744</u>	<u>8,324,498</u>

17. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	4,872,923	2,640,861
Corporation tax	459,978	-
Other taxation and social security	10,365,161	3,054,133
Accruals	14,692,198	8,374,766
	<u>30,390,260</u>	<u>14,069,760</u>

Included within trade creditors are outstanding pension contributions totalling £748,581 (2019 - £346,501).

T.S.S. (TOTAL SECURITY SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020

18. Financial instruments

	2020 £	2019 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>30,332,152</u>	<u>18,454,337</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(19,565,121)</u>	<u>(11,015,627)</u>

19. Deferred taxation

	2020 £
At beginning of year	(32,607)
Charged to profit or loss	35,366
<b>At end of year</b>	<u>2,759</u>

The deferred taxation balance is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(52,584)	(57,928)
Pension costs deductible as paid	55,343	25,321
	<u>2,759</u>	<u>(32,607)</u>

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T.S.S. (TOTAL SECURITY SERVICES) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020

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20. Provisions

	Provision for payroll liabilities £
At 1 November 2019	687,533
<b>At 31 October 2020</b>	<b><u>687,533</u></b>

The above provisions are in relation to additional payroll liabilities for which it is probable, in the opinion of the directors, that the company will incur costs. The above provision represents the directors' best estimate of these costs.

21. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
190 (2019 - 490) Ordinary shares of £1 each	<u>190</u>	<u>490</u>

During the year, the company repurchased and cancelled 300 Ordinary shares of £1 each for cash consideration of £8.1 million.

22. Reserves

**Capital redemption reserve**

The capital redemption reserve is a non-distributable reserve which has arisen as a result of the company repurchasing its own shares in previous years.

**Profit and loss account**

The profit and loss account consists of distributable reserves arising from cumulative historical profits and losses less any distributions made.

**T.S.S. (TOTAL SECURITY SERVICES) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020**

**23. Commitments under operating leases**

At 31 October 2020 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
<b>Land and buildings</b>		
Not later than 1 year	207,659	391,655
Later than 1 year and not later than 5 years	729,819	758,430
Later than 5 years	-	179,942
	<b>937,478</b>	<b>1,330,027</b>
	<b>937,478</b>	<b>1,330,027</b>
	2020 £	2019 £
<b>Other</b>		
Not later than 1 year	144,151	183,131
Later than 1 year and not later than 5 years	32,444	172,652
	<b>176,595</b>	<b>355,783</b>
	<b>176,595</b>	<b>355,783</b>

**24. Transactions with directors**

During the year, advances subsisted to a director, R L Gardezi, as follows. Interest has been charged at the standard H M Revenue & Customs beneficial loans rate.

	2020 £	2019 £
Balance brought forward owed to the company	-	-
Advances during the year	100,000	14,338
Repayments during the year	(100,000)	(14,338)
Interest charged during the year	-	-
	<b>-</b>	<b>-</b>
<b>Balance carried forward owed to the company</b>	<b>-</b>	<b>-</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020

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**25. Related party transactions**

During the year, the company loaned £Nil (2019 - £51,985) to companies with directors in common.

During the year, the company received loan repayments of £Nil (2019 - £1,657,604) from companies with directors in common.

During the year, the company charged interest of £Nil (2019 - £15,841) to companies with directors in common in respect of these loans.

During the year, the company was charged interest of £Nil (2019 - £1,008) from companies with directors in common in respect of these loans.

During the year, the company was charged rent of £716,547 (2019 - £961,547) by companies with directors in common. No amounts were owed or owing at either balance sheet date in respect of these charges.

**26. Controlling party**

As at the year end, the company is controlled by R L Gardezi and V Gardezi.

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.