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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2021

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

COMPANY INFORMATION

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

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

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 OCTOBER 2021

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 5% to £132,667,433 (2020 - £126,727,079). As at 31 October 2021 the company had a current liquidity ratio of 1.46 (2020 - 1.25). 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 of which have all increased in the current year.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2021**

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 2021**

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 2021

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: 16 March 2022

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2021**

The directors present their report and the financial statements for the year ended 31 October 2021.

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 £2,944,455 (2020 - £2,103,079).

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
B Musgrove

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 2021**

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:

	2021
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)	191
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)	83
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>901,037</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.

The corresponding figures in the prior year were 302 tonnes of CO2 equivalent, 57 tonnes of CO2 equivalent and 5,970,816 kWh.

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 14.95 (2020 - 19.5) kg CO2 equivalent per square foot.

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

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2021**

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.

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: 16 March 2022

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

Opinion

We have audited the financial statements of T.S.S. (Total Security Services) Limited (the 'company') for the year ended 31 October 2021, 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 2021 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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.

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the relevant sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006 and ISO standards;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

We also assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias, and investigated the rationale behind significant or unusual transactions. The areas that we identified as being susceptible to misstatement through fraud were:

- Management bias in the estimates and judgements made; and
- Management override of controls.

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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

16 March 2022

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2021

		2021 £	2020 £
Turnover	4	132,667,433	126,727,079
Cost of sales		(113,856,450)	(109,096,083)
Gross profit		18,810,983	17,630,996
Administrative expenses		(14,845,037)	(15,095,932)
Other operating income	5	-	2,330
Operating profit	6	3,965,946	2,537,394
Interest receivable and similar income	11	629	10,075
Interest payable and similar charges	12	(99,591)	(65,869)
Profit before tax		3,866,984	2,481,600
Tax on profit	13	(922,529)	(378,521)
Profit for the financial year		2,944,455	2,103,079

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 16 to 29 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 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	1,378,942	1,679,306
Current assets			
Debtors: amounts falling due within one year	15	29,474,994	30,927,105
Cash at bank and in hand	16	5,450,022	7,176,744
		<u>34,925,016</u>	<u>38,103,849</u>
Creditors: amounts falling due within one year	17	(23,966,608)	(30,390,260)
Net current assets		<u>10,958,408</u>	<u>7,713,589</u>
Total assets less current liabilities		<u>12,337,350</u>	<u>9,392,895</u>
Provisions for liabilities			
Other provisions	20	(687,533)	(687,533)
Net assets		<u>11,649,817</u>	<u>8,705,362</u>
Capital and reserves			
Called up share capital	21	190	190
Capital redemption reserve	22	810	810
Profit and loss account	22	11,648,817	8,704,362
		<u>11,649,817</u>	<u>8,705,362</u>

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

J Caplin
Director

Date: 16 March 2022

The notes on pages 16 to 29 form part of these financial statements.

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2021

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 November 2019	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)
At 1 November 2020	190	810	8,704,362	8,705,362
Profit for the year	-	-	2,944,455	2,944,455
At 31 October 2021	<u>190</u>	<u>810</u>	<u>11,648,817</u>	<u>11,649,817</u>

The notes on pages 16 to 29 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2021**

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	2,944,455	2,103,079
Adjustments for:		
Depreciation of tangible assets	334,221	350,943
Profit on disposal of tangible assets	(27)	(7,224)
Interest paid	99,591	65,869
Interest received	(629)	(10,075)
Taxation charge	922,529	378,521
Decrease/(increase) in debtors	1,494,945	(11,927,571)
(Decrease)/increase in creditors	(7,344,670)	15,860,522
Corporation tax (paid)/received	(44,345)	90,383
Net cash generated from operating activities	(1,593,930)	6,904,447
Cash flows from investing activities		
Purchase of tangible fixed assets	(170,207)	(118,926)
Sale of tangible fixed assets	136,377	263,019
Interest received	629	10,075
Net cash from investing activities	(33,201)	154,168
Cash flows from financing activities		
Purchase of ordinary shares	-	(8,140,500)
Interest paid	(99,591)	(65,869)
Net cash used in financing activities	(99,591)	(8,206,369)
Net (decrease) in cash and cash equivalents	(1,726,722)	(1,147,754)
Cash and cash equivalents at beginning of year	7,176,744	8,324,498
Cash and cash equivalents at the end of year	5,450,022	7,176,744
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	5,450,022	7,176,744

The notes on pages 16 to 29 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

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 2021

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 2021

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 the Statement of comprehensive income 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 2021

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 the Statement of comprehensive income 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 2021

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

4. Turnover

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	131,385,458	125,473,497
Rest of Europe	1,281,975	1,253,582
	132,667,433	126,727,079

5. Other operating income

	2021 £	2020 £
Sundry income	-	2,330

6. Operating profit

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

	2021 £	2020 £
Depreciation of tangible fixed assets	334,221	350,943
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	17,429	(7,081)
Other operating lease rentals	565,387	1,291,116
Defined contribution pension cost	1,711,690	1,537,617

7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	12,500	12,500

Fees payable to the company's auditor and its associates in respect of:

All other services	12,680	10,500
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T.S.S. (TOTAL SECURITY SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

8. Staff costs

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

	2021	2020
	£	£
Wages and salaries	107,766,075	98,645,322
Social security costs	8,058,810	7,463,926
Cost of defined contribution scheme	1,711,690	1,537,617
	<u>117,536,575</u>	<u>107,646,865</u>

9. Employee numbers

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

	2021	2020
	No.	No.
Office and management	183	169
Guarding	5,774	5,121
	<u>5,957</u>	<u>5,290</u>

10. Directors' remuneration

	2021	2020
	£	£
Directors' emoluments	2,897,255	2,171,722
Company contributions to defined contribution pension schemes	5,793	960
	<u>2,903,048</u>	<u>2,172,682</u>

During the year retirement benefits were accruing to 2 directors (2020 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £1,610,127 (2020 - £1,413,026).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2020 - £NIL).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

11. Interest receivable and similar income

	2021 £	2020 £
Bank and other interest	<u>629</u>	<u>10,075</u>

12. Interest payable and similar charges

	2021 £	2020 £
Bank interest	2	134
Other interest	99,589	65,735
	<u>99,591</u>	<u>65,869</u>

13. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	802,925	415,631
Adjustments in respect of previous periods	162,438	-
	<u>965,363</u>	<u>415,631</u>
Deferred tax		
Origination and reversal of timing differences	(42,834)	(37,110)
	<u>922,529</u>	<u>378,521</u>
Taxation on profit on ordinary activities		

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

13. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>3,866,984</u>	<u>2,481,600</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	734,727	471,504
Effects of:		
Income and expenses not allowable/deductible for tax purposes, other than goodwill amortisation and impairment	25,364	69,456
Adjustments to tax charge in respect of prior periods	162,438	-
Adjustment in research and development tax credit leading to a decrease in the tax charge	-	(162,439)
Total tax charge for the year	<u>922,529</u>	<u>378,521</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 2021

14. Tangible fixed assets

	Leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 November 2020	2,265,330	414,368	175,315	255,548	3,110,561
Additions	-	116,845	16,301	37,061	170,207
Disposals	-	(210,993)	-	-	(210,993)
At 31 October 2021	<u>2,265,330</u>	<u>320,220</u>	<u>191,616</u>	<u>292,609</u>	<u>3,069,775</u>
Depreciation					
At 1 November 2020	908,344	191,763	118,576	212,572	1,431,255
Charge for the year on owned assets	224,770	49,130	18,260	42,061	334,221
Disposals	-	(74,643)	-	-	(74,643)
At 31 October 2021	<u>1,133,114</u>	<u>166,250</u>	<u>136,836</u>	<u>254,633</u>	<u>1,690,833</u>
Net book value					
At 31 October 2021	<u>1,132,216</u>	<u>153,970</u>	<u>54,780</u>	<u>37,976</u>	<u>1,378,942</u>
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>

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

	2021 £	2020 £
Long leasehold property	16,649	16,845
Short leasehold improvements	1,115,567	1,340,141
	<u>1,132,216</u>	<u>1,356,986</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

15. Debtors

	2021	2020
	£	£
Trade debtors	28,695,137	30,208,643
Other debtors	97,560	123,509
Prepayments and accrued income	636,704	592,194
Deferred taxation	45,593	2,759
	<u>29,474,994</u>	<u>30,927,105</u>

16. Cash and cash equivalents

	2021	2020
	£	£
Cash at bank and in hand	<u>5,450,022</u>	<u>7,176,744</u>

17. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	4,938,589	4,872,923
Corporation tax	1,380,996	459,978
Other taxation and social security	5,980,851	10,365,161
Accruals	11,666,172	14,692,198
	<u>23,966,608</u>	<u>30,390,260</u>

Included within trade creditors are outstanding pension contributions totalling £1,158,734 (2020 - £748,581).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

18. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>28,792,697</u>	<u>30,332,152</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(16,604,761)</u>	<u>(19,565,121)</u>

19. Deferred taxation

	2021 £
At beginning of year	2,759
Charged to profit or loss	42,834
At end of year	<u><u>45,593</u></u>

The deferred tax asset is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(38,482)	(52,584)
Pension costs deductible as paid	84,075	55,343
	<u>45,593</u>	<u>2,759</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

20. Provisions

	Provision for payroll liabilities £
At 1 November 2020	687,533
At 31 October 2021	<u>687,533</u>

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

	2021 £	2020 £
Allotted, called up and fully paid		
190 (2020 - 190) Ordinary shares of £1 each	<u>190</u>	<u>190</u>

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 2021**

23. Commitments under operating leases

At 31 October 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Land and buildings		
Not later than 1 year	285,137	207,659
Later than 1 year and not later than 5 years	567,224	729,819
	852,361	937,478
	2021 £	2020 £
Other		
Not later than 1 year	101,624	144,151
Later than 1 year and not later than 5 years	131,349	32,444
	232,973	176,595

24. Transactions with directors

During the prior 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.

	2021 £	2020 £
Balance brought forward owed to the company	-	-
Advances during the year	-	100,000
Repayments during the year	-	(100,000)
Interest charged during the year	-	-
	-	-
Balance carried forward owed to the company	-	-

25. Related party transactions

During the year, the company was charged rent of £244,047 (2020 - £716,547) by companies with directors in common. No amounts were owed or owing at either balance sheet date.

26. Controlling party

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

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