Company Registration No. 03530702 (England and Wales)

Loomis International (UK) Limited

Annual report and financial statements for the year ended 31 December 2023

Loomis International (UK) Limited

Company Information

Directors	Stephane Kazes Benjamin Dear (appointed 27th March 2023)
Secretary	Rashmi Lahori
Company number	03530702
Registered Office	6th Floor Regus East West Building 2 Tollhouse Hill Nottingham Nottinghamshire NG1 5FS
Independent auditor	Deloitte LLP Statutory Auditor Four Brindley Place Birmingham B1 2HZ United Kingdom
Bankers	Barclays Bank plc 8/12 Church Street Walton-On-Thames Surrey KT12 2YW UBS AG Pastfach CH-4002 Basel Switzerland Danske Bank Corporate Clients SE Box 7523 Norrmalmstorg 1 103 92 Stockholm Sweden

Contents

The directors present their strategic report for the year ended 31 December 2023.

Principal activities and future developments

The company's principal activity is providing worldwide transportation and storage of valuables (banknotes, precious metals, diamonds etc.) for corporate clients, mainly in the financial services sector.

The company's strategy is to continue to improve profitability by expanding the UK operations and the growth of its client base.

The company intends to focus on growing its diamond and jewellery transportation revenue streams in future periods, not only for its own benefit but also for that of the Loomis International group.

Review of the Year

The results for the year are set out on page 10.

Loomis International (UK) Limited has experienced tougher market conditions during 2023. These conditions have resulted in a decrease in profit before tax of 121% (2022: increase of 7%). The company saw a decrease in turnover of 31% (2022: increase of 67%), but also saw a corresponding decrease of 28% (2022: increase of 94%) in its cost of sales. The decrease in cost of sales was driven by lower subcontractor costs, driven by a decrease in transport revenue. The business's revenue obtained from transport services increased as a proportion of the sales mix leading to a decrease in gross profit margin to 14.9% (2022: 18.9%). In order to fulfil the transport services, it was necessary to outsource some of the work to other parts of the Loomis Group and occasionally 3rd parties. The change in revenue mix from the more profitable storage services, for which costs are sunk, drove the disproportionally higher increase in costs of sales compared with turnover.

The company saw a general decline in valuables in transit services, particularly sea freight, which was experienced by the market as a whole. The decrease in transportation revenue was coupled with a decrease in demand for storage services. Transport insurance costs saw a 25% decrease compared with 2022, which was mainly driven by the decreased average value of the goods being transported.

Loomis International (UK) Limited has not needed to seek loan assistance and is currently operating without assistance.

Principal risks (including financial risk management)

Operational risk.

The continuation of service to customers by way of secure and reliable transportation and storage of their goods is the most important aspect of the company's service delivery. This risk is mitigated by close management control, regular audits and reviews of operating systems, procedures and controls to ensure compliance with regulatory, industry and group standards. The company is a member of the British Security Industry Association (BSIA) and is an approved contractor of the Security Industry Authority (SIA). The risk of losing market share is mitigated by working closely with customers, to provide the services required and staff training.

Financial and liquidity risk.

The financial and liquidity risks to the company are mitigated by strong credit control, regular review of customers' terms and conditions by senior management and monitoring of budgets and financials by management and group. The director's regularly monitor available cash balances to ensure the company has sufficient funds to meet its obligations.

Forex risk

The company manages its foreign exchange risk by having sufficient foreign currency cash resources to meet ongoing trading and working capital requirements. In times of volatility in currency values, quotes for work to be billed in other currencies are valid for a reduced period of time, to try and minimise the company's exposure.

Staffing shortages

Due to the adhoc nature of the work performed by the Company, staffing levels required can vary on a week by week basis. Loomis International (UK) Limited is currently operating at an ideal staffing level.

During times of staffing shortages Loomis International (UK) Limited is able to request additional resources from its sister company, Loomis UK Limited, to be deployed from their local branches in order to minimalise disruption to its services.

Inflationary pressures

The high levels of inflation experienced by the UK during 2023 have had some impact on the operating result of Loomis International (UK) Limited. Due to the adhoc nature of the Company's business, contracts are predominantly priced individually. The contract pricing factors in third party costs such as airline, shipping-line and transportation company costs. Wherever possible, increases in these costs are reflected in the pricing structure. However, in order to remain competitive some absorption of subcontractor cost increases has resulted in smaller margins.

Due to rising fuel prices, the Company has implemented a fuel surcharge policy for internal transportation.

Key performance indicators ("KPIs")

Operational Key Performance Indicators ("KPI's") used within the business for understanding financial performance are turnover, gross profit percentage and profit margin before tax. During the year, the company's turnover decreased to £14,939,452 (2022: £21,752,502). The decrease was driven by the reduced demand for the movement of gold, silver and banknotes, and movements via sea freight.

Gross margin decreased to 14.9% (2022: 18.9%), and profit margin before tax decreased to be a negative profit margin before tax of 2.5% (2022: profit margin before tax 8.3%). The decrease in gross margin and profit margin is attributable mainly to reduced revenue streams. The decrease in revenue derived from forwarding and transportation services have not been met with an equivalent reduction in subcontracting costs, leading to erosion of margins.

Approved by the board and signed on its behalf by:

Stephane Kazes
Director
26 September 2024

The directors present their annual report and audited financial statements for the year ended 31 December 2023.

Principal activities and future developments

Please refer to page 1.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Stephane Kazes
Benjamin Dear (appointed 27th March 2023)
N Högberg (resigned 31st March 2023)

Financial risk management

Please refer to pages 1 and 2.

Results and dividends

The results for the year are set out on page 10.

During the year no dividends were declared or paid (2022: £800,000 equalling £160 per share).

No dividend for the year has been proposed up to the date of this report.

Post Balance sheet events

No post balance sheet events to report.

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

Directors' responsibilities statement (continued)

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure to auditor

In the case of each director in office at the date the Directors' report is approved:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Going concern

The on-going cost of living and inflationary pressures have had an impact on the operation and profitability of Loomis International (UK) Limited. Wherever possible the impact has been mitigated by factoring in increased subcontractor costs when pricing for transportation services.

The company meets its day-to-day cash requirements through its available committed banking facilities. If required it has access to a call account facility with its ultimate parent Loomis AB, which can be used as a temporary overdraft. This facility can also be used to deposit excess cash. The company has net current assets of £2,083,670 (2022: £2,056,470), it also has net assets of £1,965,852 (2022: £2,262,976) and cash of £1,501,397 (2022: £1,208,062) as at 31 December 2023.

After making enquiries and taking into account the global impacts of rising inflationary pressures and the ongoing conflict in Ukraine, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

In addition, the directors are satisfied that Loomis AB has the necessary financial resources to provide support during this period, should it be required. A letter of support has been signed by the parent company

Going concern (continued)

Loomis AB confirming their continuing support for a period of not less than 12 months. Therefore, the directors have a reasonable expectation that the company has adequate resources internally and through its association with Loomis AB, to continue in operational existence for the foreseeable future, being at least 12 months from the signing of these financial statements. As such, the going concern basis has been adopted in preparing the annual report and financial statements.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity, which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year Director's and Officers' liability insurance in respect of itself and its directors**.**

Independent auditor

The auditors, Deloitte LLP, have indicated their willingness to continue in office.

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Deloitte LLP will therefore continue in office for the next financial period.

Approved by the board and signed on its behalf by:

Stephane Kazes
Director
26 September 2024

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Loomis International (UK) Limited (the ‘company’):

- give a true and fair view of the state of the company’s affairs as at 31 December 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 20.

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).

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 UK, including the Financial Reporting Council’s (the ‘FRC’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.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

Auditors' responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

- We have identified a significant risk of fraud on cut-off of transportation revenue. Transportation revenue is only recognised after a delivery has been made which makes it susceptible to fraud. Based on our understanding of the business, we have identified a risk period before and after year end and we have tested a sample of transportation revenue transactions recognised during this period by agreeing them to supporting documentation to conclude whether that revenue has been recognised in the appropriate accounting period in accordance with FRS102

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business. In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance

Report on other legal and regulatory requirements

Opinions 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.

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.

Mark Doerr

Mark Doerr ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
26 September 2024

Loomis International (UK) Limited

Statement of comprehensive income

For the year ended 31 December 2023

	Notes	2023 £	2022 £
Turnover	**3**	14,939,452	21,752,502
Cost of sales		(12,710,130)	(17,649,445)
Gross profit		2,229,322	4,103,057
Administrative expenses		(2,615,770)	(2,312,283)
Other operating income		-	5,546
Operating (loss)/profit	**4**	(386,448)	1,796,320
Interest receivable and similar income	**7**	19,134	4,794
Interest payable and similar expenses	**8**	(11,132)	(518)
(Loss)/profit before taxation		(378,446)	1,800,596
Tax on (loss)/profit	**9**	81,322	(342,163)
(Loss)/profit for the financial year		(297,124)	1,458,433

The Statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 13 to 29 form part of these financial statements.

Loomis International (UK) Limited

Balance sheet

As at 31 December 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	**11**		98,377		240,754
			98,377		240,754
Current assets					
Debtors	**12**	2,048,818		2,879,143	
Cash at bank and in hand		1,501,397		1,208,062	
		3,550,215		4,087,205	
Creditors: amounts falling due within one year	**13**	(1,466,545)		(2,030,735)	
Net current assets			2,083,670		2,056,470
Total assets less current liabilities			2,182,047		2,297,224
Provisions for liabilities	**14**		(216,195)		(34,248)
Net assets			1,965,852		2,262,976
Capital and reserves					
Called up share capital	**16**		500,000		500,000
Profit and loss reserves	**16**		1,465,852		1,762,976
Total equity			1,965,852		2,262,976

The notes on pages 13 to 29 form part of these financial statements.

The financial statements on pages 10 to 29 were approved by the directors and authorised for issue on 26 September 2024 and are signed on its behalf by:

Stephane Kazes

Director
Company Registration No. 03530702

Loomis International (UK) Limited

Statement of changes in equity

For the year ended 31 December 2023

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2022		500,000	1,104,543	1,604,543
Year ended 31 December 2022:				
Profit and total comprehensive income for the year		-	1,458,433	1,458,433
Dividends	**10**	-	(800,000)	(800,000)
Balance at 31 December 2022		500,000	1,762,976	2,262,976
Year ended 31 December 2023:				
Loss and total comprehensive income for the year		-	(297,124)	(297,124)
Dividends	**10**	-	-	-
Balance at 31 December 2023		500,000	1,465,852	1,965,852

1 Accounting policies

Company information

The company's principal activity is providing worldwide transportation and storage of valuables (banknotes, precious metals, diamonds etc.) for corporate clients, mainly in the financial services sector.

Loomis International (UK) Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England. The registered office is 6th Floor Regus, East West Building 2, Tollhouse Hill, Nottingham, Nottinghamshire, United Kingdom, NG1 5FS.

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

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

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its parent, Loomis AB Limited, which may be obtained at the address in note [19]. Exemptions have been taken in these separate Company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement, remuneration of key management personnel, and the exposure to Pillar Two income tax.

Where relevant, equivalent disclosures have been given in the group accounts of Loomis AB.

The parent company of the Loomis group whose consolidated financial statements include Loomis International (UK) Limited is Loomis AB, a publicly listed group on the Nasdaq OMX Stockholm Stock Exchange in Sweden.

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1 Accounting policies (continued)

1.2 Going concern

The on-going cost of living and inflationary pressures have had an impact on the operation and profitability of Loomis International (UK) Limited. Wherever possible the impact has been mitigated by factoring in increased subcontractor costs when pricing for transportation services.

The company meets its day-to-day cash requirements through its available committed banking facilities. If required it has access to a call account facility with its ultimate parent Loomis AB, which can be used as a temporary overdraft. This facility can also be used to deposit excess cash. The company has net current assets of £2,083,670 (2022: £2,056,470), it also has net assets of £1,965,852 (2022: £2,262,976) and cash of £1,501,397 (2022: £1,208,062) as at 31 December 2023.

After making enquiries and taking into account the global impacts of rising inflationary pressures and the ongoing conflict in Ukraine, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

In addition, the directors are satisfied that Loomis AB has the necessary financial resources to provide support during this period, should it be required. A letter of support has been signed by the parent company Loomis AB confirming their continuing support for a period of not less than 12 months. Therefore, the directors have a reasonable expectation that the company has adequate resources internally and through its association with Loomis AB, to continue in operational existence for the foreseeable future, being at least 12 months from the signing of these financial statements. As such, the going concern basis has been adopted in preparing the annual report and financial statements.

1.3 Turnover

Revenue represents amounts receivable for transportation and storage services provided net of VAT and trade discounts. Transportation revenue is recognised at the point of delivery. Storage revenue is recognised when the services are provided.

1.4 Other operating income

Other operating income includes revenue from all other operating activities which are not related to the principal activities of the company.
Other income represents insurance and transport recharges and is recognised on an accruals basis.

1 Accounting policies (continued)

1.5 Tangible fixed assets

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

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

Leasehold improvements	20% straight line
Plant and machinery	20% straight line
Fixtures, fittings and equipment	20% straight line
Motor vehicles	12.5%/20% straight line

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

1.6 Impairment of fixed assets

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

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

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

1.7 Cash and cash equivalents

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

1.8 Financial assets

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

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

1 Accounting policies (continued)

1.8 Financial assets (continued)

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

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

1.9 Financial liabilities

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

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1 Accounting policies (continued)

1.9 Financial liabilities (continued)

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

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

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

1.11 Taxation

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

Current tax

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

Deferred tax

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.12 Leases

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the

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1 Accounting policies (continued)

1.13 Foreign exchange (continued)

reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

1.14 Pensions

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in independently administered funds. Contributions are charged to the income statement as they become payable in accordance with the terms of the scheme. The pension charge disclosed in the financial statements represents contributions payable by the company to the funds.

1.15 Finance Income

Finance income is recognised using the effective interest method. When a loan receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

1.16 Finance Costs

Finance costs are recognised using the effective interest method. Interest-bearing bank overdrafts and loans are recognised as laid out under the 1.8 Financial liabilities section above. Finance costs, including premiums payable on settlement or redemption and direct issue costs, are recognised in the income statement on an accrual basis using the effective interest method.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1 above, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

There are no critical judgements that the directors have made in the process of applying the company's accounting policies.

2 Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

There were no key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3 Turnover

An analysis of the company's turnover is as follows:

	2023	2022
	£	£
Revenue		
Revenue - supply of services	14,939,452	21,752,502

Turnover analysed by geographical market

	2023	2022
	£	£
United Kingdom	10,767,874	17,673,317
Rest of Europe	1,295,978	1,614,181
Rest of the world	2,875,600	2,465,004
	14,939,452	21,752,502

4 Operating (loss)/profit

	2023	2022
Operating profit for the year is stated after charging/(crediting):	£	£
Exchange losses/(gains)	64,593	(145,042)
Fees payable to the company's auditor for the audit of the company's financial statements	18,200	18,200
Depreciation of owned tangible fixed assets	148,758	153,189
Operating lease charges	215,826	215,000

Fees payable to the company’s auditor for the audit of a fellow UK group company is £10,000 (2022: Nil).

There were no non-audit services provided to the company by the company's auditor in the current or prior period.

5 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	88,777	65,298
Company pension contributions to defined contribution schemes	5,686	20,835
	94,463	86,133

There are two directors who are remunerated by the Company (2022: 1).

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2022 - 2).

Company contributions to money purchase schemes in the year were £5,686 (2022: £20,835).

Remuneration of highest paid director

	2023 £	2022 £
Remuneration for qualifying services	65,290	65,298
Company pension contributions to defined contribution schemes	3,967	20,835
	69,257	86,133

6 Employees

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

	2023 Number	2022 Number
Security operations	7	6
Management and administration	21	19
	28	25

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	887,345	865,397
Social security costs	80,612	82,286
Pension costs (note 15)	53,631	55,313
	1,021,588	1,002,996

7 Interest receivable and similar income

	2023	2022
	£	£
Interest income		
Interest receivable from parent company	19,038	4,765
Interest receivable from external parties	96	29
	19,134	4,794

8 Interest payable and similar expenses

	2023	2022
	£	£
Interest expense		
Interest payable to parent company	11,132	81
Interest payable to external parties	-	437
	11,132	518

9 Tax on (loss)/profit

	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current year	-	367,246
Adjustments in respect of prior periods	1,715	-
Total current tax	1,715	367,246
Deferred tax		
Origination and reversal of timing differences	(78,120)	(24,717)
Effect of tax rate change on opening balance	(4,917)	(366)
Total deferred tax	(83,037)	(25,083)
Total tax (credit)/charge	(81,322)	342,163

9 Tax on (loss)/profit (continued)

The future tax charge will be affected by losses available for group relief.

Corporation tax is recorded at 23.5% (2022: 19%). Legislation was introduced in the Finance Bill 2021 to set the main rate for Corporation Tax at 25% for the financial year beginning 1 April 2023.

The Finance Bill 2023 introduced legislation which offers 100% first-year relief to companies on qualifying new main rate plant and machinery investments from 1 April 2023 until 31 March 2026. It also introduced a 50% first-year allowance (FYA) for expenditure by companies on new special rate (including long life) assets until 31 March 2026.

Deferred tax balances at 31 December 2023 are measured at 25% (2022: 25%).

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
(Loss)/profit before taxation	(378,446)	1,800,596
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 23.52% (2022: 19%)	(89,010)	342,113
Tax effect of expenses that are not deductible in determining taxable profit	10,890	416
Adjustments in respect of prior periods	1,715	-
Adjustments to deferred tax closing rate	(4,917)	(366)
Taxation (credit)/charge for the year	(81,322)	342,163

The enactment of the Finance Act 2023 has not impacted the company at all.

10 Dividends

	2023 £	2022 £
Final paid (£nil per share (2022: £160 per share))	-	800,000
	-	800,000

11 Tangible assets

	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2023	894,246	295,764	109,004	20,365	1,319,379
Additions	-	-	6,381	-	6,381
At 31 December 2023	894,246	295,764	115,385	20,365	1,325,760
Depreciation and impairment					
At 1 January 2023	732,256	250,649	75,522	20,198	1,078,625
Depreciation charged in the year	115,592	25,752	7,339	75	148,758
At 31 December 2023	847,848	276,401	82,861	20,273	1,227,383
Carrying amount					
At 31 December 2023	46,398	19,363	32,524	92	98,377
At 31 December 2022	161,990	45,115	33,482	167	240,754

The leasehold improvement assets are all short leasehold balances with useful lives of less than 50 years.

12 Debtors

Amounts falling due within one year:	2023 £	2022 £
Trade debtors	839,213	1,364,397
Corporation tax recoverable	192,272	-
Amounts owed by parent company	346,748	937,390
Amounts owed by group undertakings	145,312	2,155
Other debtors	46,660	19,841
Prepayments	111,876	110,088
Deferred tax asset	48,789	-
Accrued income	317,948	445,272
	2,048,818	2,879,143

Trade debtors disclosed above are measured at amortised cost.

All intercompany balances are repayable on demand and are unsecured.

Amounts owed by parent company are due from Loomis International (UK) Limited's immediate parent company, Loomis International Corporate AG (£116,734) and from Loomis AB (£230,014), the groups ultimate parent company.

Amounts owed by Loomis AB include surplus cash deposited by Loomis International (UK) Limited with Loomis AB totalling £229,435. These amounts accrue interest at a rate of 4.6% (2022: 0.37%).

Amounts owed by Loomis International Corporate AG related to operating costs incurred by Loomis International (UK) Limited on their behalf which are subject to being recharged. The balance is not subject to interest.

Amounts owed by group undertakings relate to subcontracted services performed by the company on behalf of other Loomis International stations. All other intercompany balances are not subject to interest.

Deferred tax assets

The following are the major deferred tax assets recognised by the company and movements thereon:

Balances:	2023 £	2022 £
Other timing differences	48,789	-
	48,789	-

12 Debtors (continued)

Movements in the year:	**Deferred tax asset £**
Asset at 31 December 2022	-
Credit to Statement of Comprehensive income	48,789
Asset at 31 December 2023	48,789

At the balance sheet date, the Company has unused tax losses of £13,843 (2020: £nil) available for offset against future profits and a deferred tax asset has been recognised in respect of the total unused tax losses. The deferred tax asset is deemed recoverable based on expected future taxable profits. There are no unrecognised deferred tax assets and the unused tax losses have no expiry date.

13 Creditors: amounts falling due within one year

Amounts falling due within one year:	**2023 £**	**2022 £**
Trade creditors	286,037	529,080
Amounts owed to group undertakings	713,565	726,038
Corporation tax	-	13,697
Accruals	466,943	761,921
	1,466,545	2,030,735

Trade creditors disclosed above are measured at amortised cost.

All intercompany balances are repayable on demand and are unsecured.

Amounts owed to group undertakings relate to Intercompany balances due to entities other than Loomis International (UK) Limited's immediate parent and groups ultimate parent company Loomis AB. No interest accrues on these balances.

The company meets its day-to-day cash requirements through its available committed banking facilities. This is an internal facility with the Company's ultimate parent Loomis AB. If required it can apply for funds to be deposited in a call account facility with its ultimate parent Loomis AB, which can be used as a temporary overdraft and accrued interest during the year at an average rate of 5.8% (2022: 2.43%). This facility was only used on one occasion during 2023 and not utilised in 2022.

14 Provisions for liabilities

	2023 £	2022 £
Provision for customer claim	216,195	-
Deferred tax liabilities	-	34,248
	216,195	34,248

Provision for customer claim relates to disputed value of goods stored at the Company's facilities.

Deferred tax liabilities

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

Balances:	Liability 2023 £	Liability 2022 £
Accelerated capital allowances	-	(34,248)
	-	(34,248)

The Company has no unused tax losses or tax credits. There are no expiry dates on the fixed asset timing differences. The deferred tax liability will unwind as the assets eligible for capital allowances are depreciated.
The deferred tax liability arises solely as a result of fixed asset timing differences.

Movements in the year:	Deferred tax liabilities £	Provision for customer claim £
Liability at 31 December 2022	(34,248)	-
Credit/(charge) recognised in Statement of Comprehensive income	34,248	(216,195)
Liability at 31 December 2023	-	(216,195)

15 Retirement benefit schemes

Defined contribution schemes	**2023** **£**	**2022** **£**
Charge to profit or loss in respect of defined contribution schemes	53,631	55,313

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £53,631 (2022 - £55,313). No amounts were accrued and unpaid as of 31 December 2023 (2022: £nil).

16 Called up share capital

	2023 **£**	**2022** **£**
Ordinary share capital		
Authorised		
5,000 Ordinary shares of £100 each (2022: 5,000 shares at £100 each)	500,000	500,000
Issued and fully paid		
5,000 Ordinary shares of £100 each (2022: 5,000 shares at £100 each)	500,000	500,000

The company has one class of ordinary share which carries no right to fixed income.

Profit and loss account reserves include all current and prior period retained profits and losses.

17 Operating lease commitments

Operating lease payments represent rentals payable by the company for leased properties.

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

	2023 **£**	**2022** **£**
Expiring within one year	215,000	215,000
Expiring within two and five years inclusive	457,500	562,500
Expiring in over five years	27,500	137,500
	700,000	915,000

18 Related party transactions

No guarantees have been given or received.

The company has taken advantage of the exemption in Financial Reporting Standard 102 Section 33.1A whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group given all entities are 100% owned within the group.

19 Controlling party

The immediate parent undertaking is Loomis International Corporate AG, incorporated in Switzerland.

The ultimate controlling parent company is Loomis AB, a publicly listed group on the Nasdaq OMX Stockholm Stock Exchange in Sweden.

Copies of Loomis AB consolidated financial statements may be obtained from:
Loomis AB
P.O. Box 702
SE-101 33 Stockholm
Sweden.

Loomis AB is the smallest and largest company to consolidate the results and financial position of the company.

20 Post balance sheet events

No post balance sheet events to report.