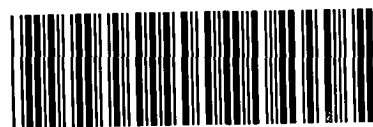


Securitas Security Services (UK) Limited
Annual report and financial statements
for the year ended 31 December 2020

Registered number: 01146486

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Securitas Security Services (UK) Limited

Annual report and financial statements for the year ended 31 December 2020

	Page
Directors and advisers for the year ended 31 December 2020	1
Strategic report for the year ended 31 December 2020.....	2
Directors' report for the year ended 31 December 2020.....	5
Independent auditors' report to the members of Securitas Security Services (UK) Limited.....	10
Income statement for the year ended 31 December 2020	13
Statement of comprehensive income for the year ended 31 December 2020.....	15
Statement of financial position as at 31 December 2020.....	16
Statement of changes in equity for the year ended 31 December 2020.....	17
Notes to the financial statements for the year ended 31 December 2020.....	18

Securitas Security Services (UK) Limited

Directors and advisers for the year ended 31 December 2020

Directors

J Collins
S Kennedy

Company secretary

Goodwille Limited
24 Old Queen Street
London
SW1H 9HP

Registered office

24 Old Queen Street
London
SW1H 9HP

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
One Chamberlain Square
Birmingham
B3 3AX

Bankers

Natwest Bank
PO Box 333
1 High Street
Croydon
CR9 1UY

Solicitors

Spratt Endicott
52-54 The Green
Banbury
OX16 9AB

Securitas Security Services (UK) Limited

Strategic report for the year ended 31 December 2020

The directors present their Strategic report of the company for the year ended 31 December 2020.

Principal activities

The principal activity of the company is the provision of a broad range of security services within the UK. The company also acts as an intermediate holding company.

Review of the business

Securitas' core business is integrated security solutions and the main service offering categories are specialised guarding and mobile services, monitoring and technical solutions. The company operates across the UK with around 7,500 employees.

The company made a profit for the financial year of £5,940,465 (2019: £5,688,260).

During the year, integration restructuring costs of £686,641 (2019: £nil), have been charged and these amounts have been treated as operating exceptional items. Further details have been provided in note 5.

The security market is moving towards an increased use of technology in security solutions. The company has made changes to the management team and structure in order to strengthen the organisation, with significant investments in a solution and technology team and the construction of a security operations centre, which will be the hub of our solutions strategy.

There has been investment in a national and global account structure, with a commercial approach based on providing alternative solutions to traditional guarding. This will allow us to offer our customers better security at the same or lower cost by creating security solutions that combine technology with on-site guarding, mobile services and remote guarding.

On 1 April 2020, the company acquired the trade and net assets of fellow subsidiary undertakings, Allcoopers Limited, Allcooper Barrier Systems Limited, Connect Systems Installations Limited and Executive Security Ltd for a consideration of £2,082,719 (includes fixed assets of £557,431 and net current assets of £1,525,288) and the consideration payable was settled via the intercompany loan account.

In 2020, the existence of a new coronavirus, now known as COVID-19, was confirmed and since this time has spread across China and to a significant number of other countries including the UK. COVID-19 has caused disruption to business and economic activity and trading has been challenging. To address the situation, the directors have taken a series of measures to preserve the health and safety of our employees, customers and suppliers. These measures range from the implementation of social distancing and the provision of PPE to employees that continue to work at our and customer sites and having an increased number of administrative employees working from home. To further manage the situation that has arisen due to the COVID-19 outbreak, several cost measures and cash flow initiatives were implemented across the company. For instance, a number of our employees were placed on furlough leave and a number of non-essential projects delayed. The company also took advantage of Government support available during the year including applying for grants under the Governments Coronavirus Job Retention Scheme and the deferral of VAT payments.

The financial position at 31 December 2020 is detailed on page 16.

Subsequent events

There have been no material subsequent events.

Securitas Security Services (UK) Limited

Strategic report for the year ended 31 December 2020 (continued)

Key performance indicators

In respect of future growth and expected future profitability, the company's financial reporting is based on a Six Fingers model, which is a simple clear reporting method for timely and accurate financial monitoring. This model focuses on the key factors that impact profit, organic growth in portfolio and turnover, extra sales on existing portfolio (fingers 1, 2 and 3), efficiency of the operations expressed by the gross margin (finger 4) and its total indirect expenses (finger 5) and days sales outstanding (finger 6). This model allows the management to take decisions to improve profitability.

	2020	2019	
Turnover (reduction) / growth	(5.8%)	(4.3%)	fingers 1, 2 and 3 organic growth
Adjusted gross margin	15.2%	14.9%	finger 4 sales less direct costs plus other operating income expressed as a percentage of total sales
Indirect costs	12.2%	12.0%	finger 5 indirect costs expressed as a percentage of total sales
Operating profit	3.0%	2.9%	operating profit expressed as a percentage of total sales
Days of sales outstanding	43	51	finger 6 payment terms and effective collection procedures

Results

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements. The directors consider the performance of the company during the year, the financial position at the end of the year and the prospects for the future to be satisfactory given recent economic conditions.

Non-financial information

From the perspective of the company, the non-financial information is consistent with the non-financial information of Securitas AB and are not managed separately. Further details of the non-financial information of Securitas AB can be found on pages 157 to 170 of the 2020 Annual and Sustainability Report.

Securitas Security Services (UK) Limited

Strategic report

for the year ended 31 December 2020 (continued)

Promoting the success of the company and section 172(1) statement of the Companies Act 2006 (section 172)

The directors' overarching duty is to promote the success of the company for the benefit of its shareholders, with consideration of stakeholders' interests, as set out in section 172. The board regards a well governed business as essential for the successful delivery of its principal activity.

The directors are aware of their duty under section 172 to act in the way which they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

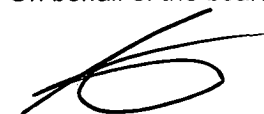
- a) the likely consequences of any decision in the long term;
- b) the interests of the company's employees;
- c) the need to foster the company's business relationships with suppliers, customers and others;
- d) the impact of the company's operations on the community and the environment;
- e) the desirability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

The company is the UK trading company of Securitas AB, a company quoted on the Swedish Stock Exchange. The Securitas Group offers protective services based on client specific needs through different combinations of on-site, mobile and remote guarding, electronic security, fire and safety and corporate risk management. Securitas operates in 47 countries with 355,000 employees.

The company forms part of the Security Services Europe division of Securitas AB with operations also further divided between guarding services and security solutions and electronic security. The board of Securitas AB manages the group's operations on a global and divisional basis. From the perspective of the board, as a result of the group governance structure, the matters that it is responsible for considering under section 172 have been considered to an appropriate extent by the group board in relation both to the group and to this entity, unless otherwise mentioned below. The board has also considered relevant matters where appropriate.

To the extent necessary for an understanding of the development, performance and position of the entity, the company's directors believe that the requirements of section 172 (1) (a) – (f) are discussed in detail in the Securitas AB Annual and Sustainability Report on pages 2 to 65 which does not form part of this report.

On behalf of the board:



J Collins
Director

14 May 2021

Securitas Security Services (UK) Limited

Directors' report for the year ended 31 December 2020

The directors present their Annual report and audited financial statements of the company for the year ended 31 December 2020.

Future developments

The directors consider that there are significant opportunities for the company in its chosen markets and will seek to grow and develop from traditional guarding towards more guarding and security solutions and look forward to a period of growth and improved margins in the foreseeable future.

Statement of corporate governance arrangements

The Company adheres to the policies and governance frameworks adopted by Securitas AB, which is indirectly in accordance with the Swedish Corporate Governance Code. Further details can be found in the Corporate governance report on pages 43 to 63 of the Securitas AB Annual and Sustainability Report 2020 and at www.securitas.com/corporate-governance. More information is outlined within the Strategic Report.

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are consistent with the principal risks of Securitas AB and are not managed separately. Further details of the principal risks and uncertainties of Securitas AB can be found on pages 57 to 63 of the 2020 Annual and Sustainability Report.

Four step process for managing enterprise risk

Securitas' enterprise risk management process (ERM) is engrained in the business and based on close cooperation between operative management and all functions working with the different parts of the risk management process.

- The process starts with risk identification and prioritization during the ERM planning process.
- Securitas Group Policies as well as local processes, rules and procedures establish the framework for day-to-day risk management.
- The identified risks and adopted policies also set the structure for all compliance monitoring in the group.
- The ultimate responsibility for governance of risk management lies with the Board of Directors, but the work involved in minimizing risks takes place through a structured process of assigning responsibility to all levels of the organisation.

Securitas' risks have been classified into three main categories:

- contract and acquisition risks.
- operational assignment risks.
- financial risks.

All of the risks in these categories can impact the group's financial performance and position if they are not managed in a structured way. This is why Securitas has developed its four-step process approach for managing enterprise risks.

Impact of Brexit

The impact of the terms of the United Kingdom's withdrawal from the European Union were finalised at the end of December 2020 but has led to some challenges as the new arrangements have come into force. The directors do not believe that it will have a material impact on the business but will monitor events closely.

Securitas Security Services (UK) Limited

Directors' report for the year ended 31 December 2020 (continued)

Financial risk management

Management reviews and agrees policies for managing financial risks as summarised below:

- Interest rate cash flow risk - the company has interest-bearing assets. Interest-bearing assets include only cash balances and intercompany loans. The directors will revisit the appropriateness of this policy should the company change in size and nature. The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.
- Credit risk - the company trades with only recognised, creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant.
- Pricing risk - the company is moderately exposed to commodity price risk as a result of its operations. The company does not actively manage this exposure as the costs of doing so exceed the potential benefits.
- Liquidity risk – the liquidity risk to the company is very low as it does not hold any long-term debt.

Results

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements. The directors consider the performance of the company during the year, the financial position at the end of the year and the prospects for the future to be satisfactory.

Dividend

The directors have not recommended a dividend (2019: £nil).

Stakeholder engagement

Employees

From the perspective of the board, as a result of the group governance structure, the group board has taken the lead in carrying out the duties of a board in respect of the company's employees, including engaging with them, having regard to their interests and the effect of that regard (including on the principal decisions taken by the company during the financial year). The board of the company has also considered relevant matters where appropriate.

An explanation of how the group board has carried out these responsibilities (for the group and for the entity) is set out in Securitas's AB Annual and Sustainability Report on pages 20 to 23, which does not form part of this report.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the company as a whole. Communication with all employees continues through the in-house newspaper and newsletters, briefing groups and the distribution of the annual report.

Securitas Security Services (UK) Limited

Directors' report for the year ended 31 December 2020 (continued)

Other stakeholders

Similarly, from the perspective of the board, as a result of the group governance structure, the group board has taken the lead in carrying out the duties of a board in respect of the company's other stakeholders. The board of the company has also considered relevant matters where appropriate. An explanation of how the directors on the group board have had regard to the need to foster the company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the company during the financial year, is set out (for the group and for the entity) in Securitas AB's Annual and Sustainability Report 2020 on pages 2 to 65, which does not form part of this report.

The company engages with stakeholder groups (customers, suppliers and partners, shareholders and investors, employees and society) in a variety of formal and informal settings. These range from meetings with local, regional, national and international groups to ongoing dialogues with our customers and consumers.

The board believes in the importance of conducting business responsibly. That means behaving ethically, respecting people and respecting the environment.

The company aims to maintain high standard of business conduct and stakeholder engagement and to ensure a positive impact on the community and environment in which it operates.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements, unless otherwise stated, were:

J Collins
S Kennedy

Going concern

The company is profitable, cash generative and has net assets of £37,885,626. The directors have prepared these financial statements on the going concern basis and believe that there are no material uncertainties that may cast significant doubt about the ability of the company to continue as a going concern. The directors of the company also believe that the company has adequate resources to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements.

Directors' liability insurance

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. Securitas AB, of which the company is a wholly owned subsidiary, also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its directors.

Securitas Security Services (UK) Limited

Directors' report for the year ended 31 December 2020 (continued)

Streamlined Energy and Carbon Reporting ("SECR")

The SECR disclosure presents the company's carbon footprint within the United Kingdom across scope 1, 2 and (to some extent) scope 3 emissions, an appropriate intensity metric, the total energy use of electricity, gas and transport fuel and an energy efficiency actions summary taken during the relevant financial year.

Streamlined Energy and Carbon Reporting in the UK for the year ended 31 December 2020	Consumption kWh	Emissions tCO₂e
Scope 1 direct emissions from combustion of gas – fuel	639,100	118
Scope 1 direct emissions from combustion of fuel for transport purposes	4,574,400	1,169
Scope 2 indirect emissions from purchased electricity	1,658,100	387
Scope 3 other indirect emissions from business travel	n/a	1,262
Total energy consumption used to calculate emissions / total gross emissions	6,871,600	2,936
Intensity ratio: tco₂e / per FTE using average number of employees		0.393

Methodology

The SECR disclosure has been prepared in line with the financial year ended 31 December 2020 and reporting on all sources of environmental impact in the UK over which the company has financial and/or operational control. The reporting method used is in line with the HM Government Environmental Reporting Guidelines issued in March 2019 and the company has also used the Greenhouse Gas Reporting Protocol – Corporate Standard. The emissions factor source is the 2020 UK Government's Conversion Factors for Company Reporting.

Energy efficiency action plan

The principal measures taken for the purpose of increasing the company's energy efficiency in the year ended 31 December 2020 included:

- Streamlining/ rationalizing of office provision to form smaller hub locations.
- Continued use of GreenRoad telematic system to develop both improved road safety and reduced environmental impact through improving driving behaviours.
- Reducing number and distribution of photocopiers within business.
- Continued digitalization of previous paper-based processes and systems.
- Use of renewable fuel sources where energy is directly purchased from supplier.
- Reduction in older fleet vehicles and continued adherence to Group Emissions Policy regarding replacement vehicles with lower g/Km Co₂ ratings.

It should be noted that 2020 has created challenges regarding ways of working due to restrictions imposed by the Covid-19 pandemic. This has resulted in a reduction in the use of office space by personnel, a greater reliance on home-working and much reduced volume of transport related activities.

Group sustainability notes

See further details in the Sustainability notes section of the Securitas's AB Annual and Sustainability Report 2020 on pages 157 to 173, which does not form part of this report.

Securitas Security Services (UK) Limited

Directors' report for the year ended 31 December 2020 (continued)

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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 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.

Statement of disclosure of information to auditors

So far as each director is aware, there is no relevant audit information of which the company's auditors are not aware. Each director has taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board:



J Collins
Director

14 May 2021

Securitas Security Services (UK) Limited

Independent auditors' report to the members of Securitas Security Services (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Securitas Security Services (UK) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2020; the income statement, the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to other entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the company in the period under audit.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- obtained and assessed management's going concern paper and cash flow projections, agreeing them to the latest Board approved forecasts;
- obtained details and assessed the intercompany financial facilities available to the UK from Securitas AB including obtaining evidence from Group Treasury;
- assessed the reasonableness of the assumptions used in the forecasts, the historical accuracy of forecasts prepared by management, performance of the company since the year end and performing a sensitivity analysis of the key inputs;
- reviewed and assessed the financial information, credit rating and financial facilities available at Securitas AB; and
- assessed the adequacy of the going concern disclosures included within the Annual report and financial statements.

Securitas Security Services (UK) Limited

Independent auditors' report to the members of Securitas Security Services (UK) Limited (continued)

Report on the audit of the financial statements (continued)

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Securitas Security Services (UK) Limited

Independent auditors' report to the members of Securitas Security Services (UK) Limited (continued)

Report on the audit of the financial statements (continued)

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 auditors' 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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to health and safety legislation, employment legislation and UK taxation legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of non-standard journals to the income statement or manipulating accounting estimates which could be subject to management bias. Audit procedures performed included:

- enquiries of management;
- review of legal expense accounts and board minutes;
- obtained an understanding of the control environment in monitoring compliance with laws and regulations;
- auditing the risk of management override of controls, including testing non-standard journal entries and unpredictable procedures around cash payments; and
- testing of accounting estimates which could be subject to management bias.

Securitas Security Services (UK) Limited

Independent auditors' report to the members of Securitas Security Services (UK) Limited (continued)

Report on the audit of the financial statements (continued)

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

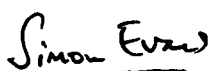
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Simon Evans (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

14 May 2021

Securitas Security Services (UK) Limited

Income statement for the year ended 31 December 2020

	Note	2020 £	2019 £
Turnover	4	234,974,497	249,477,167
Cost of sales		(205,881,378)	(212,255,140)
Gross profit		29,093,119	37,222,027
Administrative expenses (of which £686,641 (2019: nil) is exceptional)	5	(28,655,402)	(29,867,483)
Other operating income	6	6,709,632	-
Operating profit	7	7,147,349	7,354,544
Interest receivable and similar income	10	184,558	31,216
Interest payable and similar expenses	11	(201,000)	(363,129)
Profit before taxation		7,130,907	7,022,631
Tax on profit	12	(1,190,442)	(1,334,371)
Profit for the financial year		5,940,465	5,688,260

All of the activities of the company are classed as continuing.

The notes on pages 18 to 45 form part of these financial statements.

Securitas Security Services (UK) Limited

Statement of comprehensive income for the year ended 31 December 2020

	Note	2020 £	2019 £
Profit for the financial year		5,940,465	5,688,260
Actuarial loss on pension scheme	21	(65,000)	(8,000)
Tax relating to actuarial loss recognised on the pension scheme	17	11,050	1,360
Total other comprehensive expense for the year net of tax		(53,950)	(6,640)
Total comprehensive income for the year		5,886,515	5,681,620

Securitas Security Services (UK) Limited

Statement of financial position as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	13	5,511,417	6,367,333
Right-of-use assets	14	5,482,644	5,784,644
Property, plant and equipment	15	5,833,825	7,113,505
Investments	16	1	1
		16,827,887	19,265,483
Current assets			
Trade and other receivables	17	68,750,010	57,774,524
Cash and cash equivalents		410,400	92,010
		69,160,410	57,866,534
Creditors: amounts falling due within one year	18	(41,877,663)	(39,553,174)
Net current assets		27,282,747	18,313,360
Total assets less current liabilities		44,110,634	37,578,843
Creditors: amounts falling due after more than one year	19	(4,600,005)	(4,880,458)
Provisions for liabilities	20	(1,656,003)	(745,274)
Net assets excluding pension asset		37,854,626	31,953,111
Pension asset	21	31,000	46,000
Net assets		37,885,626	31,999,111
Equity			
Called up share capital	23	7,576	7,576
Share premium account		11,999,999	11,999,999
Retained earnings		25,878,051	19,991,536
Total shareholders' funds		37,885,626	31,999,111

The notes on pages 18 to 45 form part of the financial statements.

These financial statements on pages 14 to 45 were approved by the Board of Directors on 14 May 2021 and were signed on its behalf by:



J Collins
Director

Registered number: 01146486

Securitas Security Services (UK) Limited

Statement of changes in equity for the year ended 31 December 2020

	Called up share capital	Share premium account	Retained earnings	Total shareholders' funds
	£	£	£	£
Balance as at 1 January 2019	7,576	11,999,999	14,309,916	26,317,491
Profit for the financial year	-	-	5,688,260	5,688,260
Other comprehensive (expense)/income for the year				
Actuarial loss on pension scheme	-	-	(8,000)	(8,000)
Deferred tax relating to actuarial loss recognised on the pension scheme	-	-	1,360	1,360
Total comprehensive income for the year	-	-	5,681,620	5,681,620
Balance as at 31 December 2019	7,576	11,999,999	19,991,536	31,999,111
Balance as at 1 January 2020	7,576	11,999,999	19,991,536	31,999,111
Profit for the financial year	-	-	5,940,465	5,940,465
Other comprehensive (expense)/income for the year				
Actuarial loss on pension scheme	-	-	(65,000)	(65,000)
Deferred tax relating to actuarial loss recognised on the pension scheme	-	-	11,050	11,050
Total comprehensive income for the year	-	-	5,886,515	5,886,515
Balance as at 31 December 2020	7,576	11,999,999	25,878,051	37,885,626

Called up share capital represents the nominal value of shares issued by the company that has been called up.

Share premium account represents the excess of cash proceeds receivable on a share issue over the nominal value of shares allotted.

Retained earnings represents the net profits and losses of the company reported in the income statement to date.

The accounting policies and the notes on pages 18 to 45 form part of these financial statements.

Securitas Security Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2020

1 General information

The principal activity of the company is the provision of a broad range of security services within the UK. The company also acts as an intermediate holding company.

The company is a private company, limited by shares and is incorporated and domiciled in England in the UK. The address of its registered office is 24 Old Queens Street, London, SW1H 9HP.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation and statement of compliance

The financial statements of the company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006, except in relation to goodwill. Under IFRS 3 'Business Combinations', goodwill is not amortised, but is reviewed for impairment on an annual basis. This is a departure from the requirements of the Companies Act 2006, which requires goodwill to be amortised over its useful economic life. However, the departure is necessary in order to comply with the requirements of IFRS 3. The company is therefore invoking a 'true and fair' view override' to overcome the prohibition on the non-amortisation of goodwill in the Companies Act. Had the company amortised goodwill, a period of 10 years would have been chosen as its useful economic life. Profit for the period would have been £638,891 (2019: £638,891) lower had goodwill been amortised on an original historical cost basis. The original historical cost of goodwill is £6,388,910 (2019: £6,388,910).

FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined by the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The company is a qualifying entity for the purposes of FRS 101, and note 28 gives details of the company's ultimate parent undertaking and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The requirements of IFRS 7 Financial Instruments: Disclosures;
- The requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of: paragraph 79(a)(iv) of IAS 1; paragraph 73(e) of IAS 16 and paragraph 118(e) of IAS 38;
- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements;
- The requirements of IAS 7 Statement of Cash Flows;
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- The requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;

Securitas Security Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

2 Summary of significant accounting policies (continued)

Basis of preparation and statement of compliance (continued)

- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets;
- The requirements of IFRS 7 Financial Instruments: Disclosures; and
- The requirements of IFRS 10 Consolidated Financial statements.
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119 (a) to (c), 120 to 127 and 129 of IFRS 15 'Revenue from Contracts with Customers'.
- The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 'Leases'.
- The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities, and in total.

New and revised standards applied by the company

There are no amendments to accounting standards or IFRIC interpretations that are effective for the year ended 31 December 2020 that have a material impact on the company.

Going concern

The company is profitable, cash generative and has net assets of £37,885,626. The directors have prepared these financial statements on the going concern basis and believe that there are no material uncertainties that may cast significant doubt about the ability of the company to continue as a going concern. The directors of the company also believe that the company has adequate resources to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements.

Basis of consolidation

The company is exempt, under Section 400 of the Companies Act 2006, from the obligation to prepare and deliver group financial statements, as it is included in the consolidated financial statements of Securitas AB, a company registered in Sweden. Accordingly, the financial statements present information about the company as an individual undertaking and not its group.

Related party transactions

The company is a wholly owned subsidiary of Securitas AB, and as such the company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries. The consolidated financial statements of Securitas AB, within which this company is included, can be obtained from the address given in note 28.

Leases

At inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: the contract involves the use of an identified asset; the company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and the company has the right to direct the use of the asset.

Securitas Security Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

2 Summary of significant accounting policies (continued)

Leases (continued)

The company leases various offices, equipment and vehicles. Rental contracts are typically made for fixed periods of 12 months to 15 years. Contracts may contain both lease and non-lease components. The company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), less any lease incentives receivable variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date; and payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the company where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the company, which does not have recent third party financing, and makes adjustments specific to the lease (e.g. term, country, currency and security).

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following: the amount of the initial measurement of lease liability; any lease payments made at or before the commencement date less any lease incentives received; any initial direct costs; and restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Government grants

Government grants (including the Coronavirus Job Retention Scheme) are recognised in the income statement, as other operating income, on a systematic basis over the periods in which the company recognises expenses for the related costs for which the grants are intended to compensate.

Securitas Security Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

2 Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand.

Share capital

Ordinary shares are classified as equity. The company does not have any preference shares.

Investments

Investments are stated at cost less provision for any impairment in value. Impairment reviews are undertaken on an annual basis.

Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount. Further details can be found in note 5.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services provided, stated net of discounts and value added taxes.

The company's revenue is generated mainly from a broad range of security services within the UK and the various types of security services are described further below.

Guarding services comprises on-site and mobile guarding, which is services with the same revenue recognition pattern. Revenue is recognised over time, as the services are rendered by the company and simultaneously consumed by the clients. Such services cannot be re-performed.

Security solutions and electronic security comprise two broad categories. Security solutions are a combination of services such as on-site and/or mobile guarding and/or remote guarding. These services are combined with a technology component in terms of equipment owned and managed by the company and used in the provision of services. The equipment is installed at the clients' site. The revenue recognition pattern is over time, as the services are rendered by the company and simultaneously consumed by the clients. A security solution normally constitutes one performance obligation.

Electronic security consists of the sale of alarm installations comprising design and installation (time, material and related expenses). Revenue is recognised as per the contract, either upon completion of the conditions in the contract at a point in time, or over time based on the percentage of completion. Remote guarding (in the form of alarm monitoring services), that is sold separately and not as part of a security solution, is also included in this category. Revenue recognition is over time as this is also a service that is rendered by the company and simultaneously consumed by the clients. The category further includes maintenance services, that are either performed upon request (time and material) with revenue recognition at a point in time (when the work has been performed), or over time if part of a service level contract with a subscription fee. Finally, there is also a to a limited extent product sale (alarms and components) without any design or installation. The revenue recognition is at a point in time (upon delivery).

Securitas Security Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

2 Summary of significant accounting policies (continued)

Classification and measurement of financial instruments

Amortised cost assets (including trade receivables) are where the entity holds them solely to collect the cash flows and the payments are solely those of principal and (if applicable) interest. Initial measurement takes place at fair value plus transaction costs. They are subsequently measured at amortised cost, using the effective interest method. Valuation allowances are provided for identifiable individual risks in addition to the expected credit losses calculated when known. The company also has intercompany receivable balances with fellow subsidiaries and associated undertakings which are subject to the expected credit loss model, but any expected credit loss provision is immaterial.

As from January 1, 2018, the company applies the forward-looking expected credit loss model. The most important financial assets subject to this model are accounts receivable, for which the company applies the simplified approach permitted by IFRS 9. This method requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial liabilities (including trade payables and amounts owed to group undertakings) are measured at amortised cost, using the effective interest method. Initial measurement takes place at fair value net of transaction costs incurred. In subsequent periods, the amortisation and accretion of any premium or discount is included in finance costs/income.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Trade and other receivables

Trade and other receivables are amounts due from customers for goods sold in the ordinary course of business. If the company can require payment in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an expected credit loss provision for impairment.

Recognised revenue that has not been invoiced as of the balance sheet date is classified as accrued income within debtors. Contract balances for performance obligations not yet satisfied are classified as deferred income within creditors.

Functional currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency.

Interest

Interest receivable and payable is recognised on an accruals basis.

Securitas Security Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

2 Summary of significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are stated at historical cost, net of depreciation and any provision for impairment. Historical cost includes the original purchase price of the asset and the cost attributed to bringing the asset to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is provided at the following annual rates in order to write off each asset to its residual value over its estimated useful life. The rates of depreciation are as follows:

- | | |
|---|--------------------|
| • Property | 40 years |
| • Leasehold improvements | 3 years |
| • Fixtures, fittings, tools and equipment | 3 years or 5 years |
| • Motor vehicles | 3 years |

No depreciation is provided on freehold land.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the income statement and are taken into account in arriving at the operating profit.

The company has taken advantage of the exemption allowed by FRS101 from the requirement to present comparatives for reconciliation of carrying amount at the beginning and end of the period in relation to the property, plant and equipment and intangible assets.

Intangible assets

Goodwill

Goodwill arising on the transfer of trade and assets from fellow group undertakings represents the excess of the fair value of the consideration given over fair value of the identifiable net assets acquired. Goodwill arising on acquisitions have been capitalised. The company evaluates the carrying value of goodwill in each financial year to determine if there has been an impairment in value, which would result in the inability to recover the carrying amount. When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the income statement.

Software

Computer software assets are recognised as intangible assets at cost at the acquisition date less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, which does not exceed five years.

Amortisation is charged to administrative expenses in the income statement.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Securitas Security Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

2 Summary of significant accounting policies (continued)

Impairment of non-financial assets

Non-financial assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows. Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Leases

Leases in which substantially all of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Employee benefits

The company operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The asset recognised in the Statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to shareholders' funds in other comprehensive income in the period in which they arise.

The amount charged or credited to interest expense is a net interest amount calculated by applying the liability discount rate to the net defined benefit liability or asset.

Securitas Security Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

2 Summary of significant accounting policies (continued)

Employee benefits (continued)

Past-service costs are recognised immediately in the income statement.

For defined contribution plans, the company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Provisions

Provisions for restructuring costs and legal claims are recognised when:

- the company has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

Reorganisation provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money. The increase in the provision due to passage of time is recognised as interest expense.

Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is not recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the Statement of financial position date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the Statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Securitas Security Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

3 Critical accounting estimates and judgements

Estimates and judgements 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.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. However, the company have identified the following estimates that they believe are useful in understanding the key sources of estimation uncertainty:

Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The estimates of useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 15 for the carrying amount of the property plant and equipment and note 2 for the useful economic lives for each class of assets.

Impairment of trade receivables

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience. See note 17 for the net carrying amount of the receivables and associated impairment provision using an expected credit loss model.

Impairment of investments and intangible assets

The company considers the judgements as to whether investments and intangible assets are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows. See note 13 for details of the key assumptions used in the impairment review.

Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the estimate of present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the statement of financial position. The assumptions reflect historical experience and current trends. See note 21 for the disclosures of the defined benefit pension scheme.

Securitas Security Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

4 Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of services to customers in the UK during the year, accrued or deferred where relevant based on the contractual amounts expected to be recovered. All turnover relates to the provision of contract security and related services with the revenue being recognised in line with the revenue recognition policy in note 2.

5 Exceptional Items

	2020	2019
	£	£
Restructuring of security services operations	(686,641)	-
	(686,641)	-

6 Other operating income

Amounts of £6,709,632 (2019: £nil) were received under the Coronavirus Job Retention Scheme.

7 Operating profit

Operating profit is stated after charging:

	2020	2019
	£	£
Amortisation of intangible assets (note 13)	492,236	599,299
Depreciation of right of use asset (note 14)	1,081,000	1,026,622
Depreciation of property, plant and equipment (note 15)	2,381,993	2,547,783
Loss on disposal of property, plant and equipment	290,456	102,526
Auditors' remuneration		
Fees payable to the company's auditors for the audit of the financial statements only	140,900	136,400
Operating lease rentals	-	-
Staff costs (note 8)	204,865,589	214,791,086
Reorganisation expense (note 5)	686,641	-

There are no fees payable to the company's auditors in respect of non-audit services (2019: £nil).

Securitas Security Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

8 Employees

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

	2020	2019
	Number	Number
Office staff and management	394	381
Security and operational staff	7,073	7,950
	7,467	8,331

	2020	2019
	£	£
Wages and salaries	183,785,714	192,607,284
Social security costs	16,651,080	17,471,499
Other pension costs (note 21)	4,428,795	4,712,303
	204,865,589	214,791,086

Some of these costs are recharged to other group undertakings.

The total employee benefit cost is £205,552,230 (2019: £214,791,086), which includes the employee costs of £204,865,589 (2019: £214,791,086) and redundancy costs included within the reorganisation expense amounting to £686,641 (2019: £nil).

9 Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2020	2019
	£	£
Aggregate remuneration	452,593	774,012
Value of company pension contributions to money purchase schemes	69,444	61,501
	522,037	835,513

Emoluments of highest paid director	2020	2019
	£	£
Emoluments receivable	325,596	342,897

Securitas Security Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

9 Directors' emoluments (continued)

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

	2020	2019
	Number	Number
Money purchase schemes	2	3

10 Interest receivable and similar income

	2020	2019
	£	£
On loans to group undertakings	182,558	29,216
Interest on defined benefit pension scheme	2,000	2,000
Interest receivable and similar income	184,558	31,216

11 Interest payable and similar expenses

	2020	2019
	£	£
On loans from group undertakings	-	139,853
Interest on lease liabilities	201,000	223,276
Interest payable and similar expenses	201,000	363,129

Securitas Security Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

12 Tax on profit

	2020	2019
	£	£
Current tax		
Current tax on profits for the year	1,519,445	846,408
Adjustment in respect of prior years	7,502	(25,288)
Total current tax	1,526,947	821,120
Deferred tax		
Current year	(292,883)	553,067
Adjustment in respect of prior years	(43,622)	(39,816)
Total deferred tax	(336,505)	513,251
Tax per income statement	1,190,442	1,334,371

Factors affecting total tax charge for the year

The charge for the year can be reconciled to the profit per the income statement as follows:

	2020	2019
	£	£
Profit before taxation	7,130,907	7,022,631
Profit before taxation at standard UK tax rate of 19% (2019: 19%)	1,354,872	1,334,300
Depreciation on ineligible assets	86,435	148,300
Expenses and income not deductible for tax purposes	578	36,361
Group relief claimed	(168,205)	-
Tax rate changes and other adjustments	(47,118)	(119,486)
Adjustments in respect of prior years	(36,120)	(65,104)
Total charge for the year	1,190,442	1,334,371

Securitas Security Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

12 Tax on profit (continued)

Factors affecting the tax rate in future years - In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to decrease the tax expense for the year by £670,462 and to increase the deferred tax asset by £670,462.

13 Intangible assets

	Goodwill	Software	Total
	£	£	£
Cost			
At 1 January 2020	5,111,128	3,098,285	8,209,413
Additions	-	86,320	86,320
Disposals	-	(976,417)	(976,417)
At 31 December 2020	5,111,128	2,208,188	7,319,316
Accumulated amortisation			
At 1 January 2020	-	1,842,080	1,842,080
Charge for the year	-	492,236	492,236
Disposals	-	(526,417)	(526,417)
At 31 December 2020	-	1,807,899	1,807,899
Net book value			
At 31 December 2020	5,111,128	400,289	5,511,417
At 31 December 2019	5,111,128	1,256,205	6,367,333

Prior to the adoption of FRS101, intangible assets included goodwill at cost of £6,388,910. As part of the transition to FRS 101, an adjustment was made to bring in goodwill at a deemed cost of £5,111,128 being the net book value at the date of transition. Intangible asset amortisation is recorded in administrative expenses in the income statement.

The net carrying value of goodwill has been reviewed for impairment and no impairment was recorded in the year. In performing this review, the directors have considered the goodwill to relate to a single cash generating unit due to the integrated nature of the company's operations. This impairment review uses the cash flows extracted from the company's budgets and forecasts for 5 years, an appropriate long-term growth rate into perpetuity, and a pre-tax discount rate that reflects the risks specific to the cash generating unit. The headroom on the assessment is significant. The directors consider that no reasonably possible change in assumptions would give rise to an impairment of intangibles.

Securitas Security Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

14 Right-of-use assets

The balance sheet shows the following amounts relating to leases:

	Property Leases and Total
	£
<hr/>	
Cost	
At 1 January 2020	6, 811,266
Additions	779,000
At 31 December 2020	7,590,266
<hr/>	
Accumulated amortisation	
At 1 January 2020	1,026,622
Charge for the year	1,081,000
At 31 December 2020	2,107,622
<hr/>	
Net book value	
At 31 December 2020	5,482,644
<hr/>	
At 31 December 2019	5,784,644
<hr/>	

Expense relating to short-term leases are £17,861 (2019: £34,526) and included in cost of goods sold and administrative expenses.

Expense relating to leases of low-value assets that are not shown above as short-term leases are £36,256 (2019: £2,700) and included in administrative expenses.

The total cash outflow for leases in 2020 was £1,209,000 (2019: £1,151,537).

Securitas Security Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

15 Property, plant and equipment

	Property	Leasehold improve- ments	Fixtures, fittings, tools and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2020	918,749	3,883,039	8,516,968	405,531	13,724,287
Additions	-	397,582	830,645	164,542	1,392,769
Disposals	-	(959,346)	(94,082)	-	(1,053,428)
At 31 December 2020	918,749	3,321,275	9,253,531	570,073	14,063,628
Accumulated depreciation					
At 1 January 2020	88,041	1,815,809	4,470,640	236,292	6,610,782
Charge for the year	45,938	407,997	1,738,155	189,903	2,381,993
Disposal	-	(668,890)	(94,082)	-	(762,972)
At 31 December 2020	133,979	1,554,916	6,114,713	426,195	8,229,803
Net book value					
At 31 December 2020	784,770	1,766,359	3,138,818	143,878	5,833,825
At 31 December 2019	830,708	2,067,230	4,046,328	169,239	7,113,505

Securitas Security Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

16 Investments

	Subsidiary Undertakings
Shares in subsidiary undertakings:	£
Cost and net book value	
At 1 January 2020 and 1 January 2019	1
At 31 December 2020 and 31 December 2019	1

The company holds 100% of the ordinary share capital of the company listed below. The company listed below are registered in the following country:

Name	Address of the registered office	Nature of business	Interest
Securitas Aviation Services Limited	24 Old Queen Street, London, SW1H 9HP	Security services (Dormant)	100% ordinary shares

The directors believe that the carrying value of the remaining investment is supported by the underlying net assets of the company.

17 Trade and other receivables

	2020	2019
	£	£
Trade receivables	33,078,880	41,709,130
Amounts owed by group undertakings	28,829,382	10,307,322
Other receivables	26,225	39,979
Deferred tax	2,123,131	1,775,576
Prepayments and accrued income	4,692,392	3,942,517
	68,750,010	57,774,524

Trade receivables of £nil (2019: £nil) fall due after more than one year.

Trade receivables are stated after expected credit loss provisions of £552,514 (2019: £463,770).

The amounts owed by group undertakings are unsecured and repayable on demand. £758,250 (2019: £1,080,683) is interest free and £28,071,132 (2019: £9,226,639) is interest bearing at a variable rate of 1%.

Amounts owed by group undertakings are stated after provisions for impairment of £nil (2019: £nil) as any expected credit loss provision is deemed immaterial.

Prepayments and accrued income include contract assets relating to accrued income of £1,735,539 (2019: £2,008,155).

Securitas Security Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

17 Trade and other receivables (continued)

The movement in the deferred taxation account during the year was:

	2020	2019
	£	£
Balance brought forward	1,775,576	2,287,467
Recognised in the income statement	336,505	(513,251)
Recognised in the statement of comprehensive income	11,050	1,360
Balance carried forward	2,123,131	1,775,576

	2020	2019
	£	£
Short term timing differences	492,350	171,829
Accelerated capital allowances	1,360,507	1,319,893
Losses	270,274	283,854
Total recognised deferred tax asset	2,123,131	1,775,576

Deferred tax relating to the pension scheme:

	2020	2019
	£	£
At 1 January	-	-
Deferred tax debit to the income statement	(11,050)	(1,360)
Deferred tax credited to the Statement of comprehensive income:	11,050	1,360
Pension deferred tax asset at 31 December	-	-

Securitas Security Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

18 Creditors: amounts falling due within one year

	2020	2019
	£	£
Lease liabilities	1,054,000	1,002,547
Trade creditors	6,855,106	5,070,193
Amounts owed to group undertakings	1,144,559	1,091,470
Taxation and social security	7,844,088	7,836,918
Other creditors	523,316	542,684
Corporation tax	1,351,240	733,356
Accruals and deferred income	23,105,354	23,276,006
	41,877,663	39,553,174

The amounts owed to group undertakings within short term creditors are unsecured, interest free and repayable on demand.

Corporation tax has been represented in the creditors note. In last year's financial statements, the corporation tax liability was included in other creditors but has been shown as a separate line item this year.

Accruals and deferred income include contract liabilities relating to deferred income of £2,023,160 (2019: £2,897,794).

19 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Lease liabilities	4,600,005	4,880,458

Securitas Security Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

20 Provisions for liabilities

	Property dilapidations 2020 £	Insurance claims 2020 £	Reorganisation cost 2020 £	Total 2020 £
At start of the year	323,506	130,585	291,183	745,274
Charged during the year	218,657	112,805	686,641	1,018,103
Utilised during the year	-	(36,303)	(71,071)	(107,374)
At end of the year	542,163	207,087	906,753	1,656,003

At 31 December 2020, a property dilapidations provision covers the estimated cost of dilapidations on various leasehold properties which will be incurred on expiry of the leases, an insurance claims provision was held for outstanding insurance claims for amounts below the insurance excess and a reorganisation cost provision was held for redundancy related provisions for staff.

The company expects the property dilapidations provisions to be utilised within a period up to 2029 and the insurance claims and reorganisation costs in 2021.

21 Post-employment benefits

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds. Total contributions charged in relation to the year are £4,385,795 (2019: £4,668,303). An accrual of £502,401 (2019: £490,547) is held at the year-end.

Defined benefit pension scheme

Securitas Security Services (UK) Limited (the "company") operates a defined benefit pension arrangement called the Burns International Security Services (UK) Limited Defined Retirement and Death Benefits Scheme (the "Scheme"). The Scheme provides benefits based on final salary and length of service on retirement, leaving service or death.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process the company must agree with the trustees of the Scheme the contributions to be paid to address any shortfall against the Statutory Funding Objective and contributions to pay for future accrual of benefits. The Statutory Funding Objective does not currently impact on the recognition of the Scheme in these financial statements. The funding deficit as at the date of the last triennial valuation as at 31 March 2019 was £389,000 and as such a recovery plan was put in place setting out the level of future contributions.

The Scheme is managed by a board of trustees appointed in part by the company and part from elections by members of the Scheme although at present there is a vacancy for the member nominated trustee. The Trustees have responsibility for obtaining valuations of the fund, administering benefit payments and investing the Scheme's assets. The trustees delegate some of these functions to their professional advisers where appropriate.

Securitas Security Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

21 Post-employment benefits (continued)

The Scheme exposes the company to a number of risks:

- Investment risk. The Scheme holds investments in asset classes such as equities, which have volatile market values and while these assets are expected to provide the real returns over the long-term the short-term volatility can cause additional funding to be required if deficit emerges.
- Interest rate risk. The Scheme's liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. As the Scheme holds assets such as equities the value of the assets and liabilities may not move in the same way.
- Inflation risk. A significant proportion of the benefits under the Scheme are linked to inflation. Although the Scheme's assets are expected to provide a good hedge against inflation over the long term, movements over the short-term could lead to deficits emerging.
- Mortality risk. In the event that members live longer than assumed a deficit will emerge in the Scheme.

There were no plan amendments, curtailments or settlements during the year.

Amounts recognised in the Statement of financial position	2020	2019
	£	£
Fair value of assets	5,099,000	4,682,000
Present value of funded obligations	(4,484,000)	(3,991,000)
Surplus	615,000	691,000
Impact of asset ceiling	(584,000)	(645,000)
Net defined benefit surplus	31,000	46,000

Asset ceiling

The company is only allowed to recognise this surplus as an asset if it can be recovered through reduced company contributions in respect of future service for current scheme members. Based on an estimate of the potential future service contributions, the surplus which is recoverable by the company is £31,000 (2019: £46,000). Therefore, the effect of the asset ceiling is to reduce the surplus by £584,000 (2019: £645,000). As the Scheme is closed to new entrants and the age profile of the active members will increase over time, the amount of surplus which is recoverable will decrease each year.

Securitas Security Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

21 Post-employment benefits (continued)

Reconciliation of net defined benefit liability/(asset)	2020 £	2019 £
Net defined benefit (asset) at beginning of year	(46,000)	(65,000)
Service cost	43,000	44,000
Net interest income	(2,000)	(2,000)
Re-measurements	65,000	8,000
Employer contributions	(91,000)	(31,000)
Past service cost	-	-
Net defined benefit (asset) at end of year	(31,000)	(46,000)
Amounts recognised in the income statement over the year	2020 £	2019 £
Current service cost	43,000	44,000
Past service cost	-	-
Interest on liabilities	79,000	106,000
Interest on assets	(94,000)	(118,000)
Interest on effect of asset ceiling	13,000	10,000
Total	41,000	42,000

Securitas Security Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

21 Post-employment benefits (continued)

Re-measurements over the year	2020 £	2019 £
Gain on scheme assets in excess of interest	(326,000)	(516,000)
Gain from changes to demographic assumptions	-	(17,000)
Loss from changes to financial assumptions	465,000	396,000
Changes in effect of asset ceiling	(74,000)	278,000
Experience gains on liabilities	-	(133,000)
Total re-measurements	65,000	8,000

The change in the assets over the year was:

	2020 £	2019 £
Fair value of assets at the beginning of the year	4,682,000	4,119,000
Interest on assets	94,000	118,000
Company contributions	91,000	31,000
Contributions by scheme participants	6,000	6,000
Benefits paid	(100,000)	(108,000)
Return on plan assets less interest	326,000	516,000
Fair value of assets at the end of the year	5,099,000	4,682,000

Securitas Security Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

21 Post-employment benefits (continued)

The change in the defined benefit obligation over the year was:

	2020 £	2019 £
Defined benefit obligation at the beginning of the year	3,991,000	3,697,000
Current service cost	43,000	44,000
Contributions by scheme participants	6,000	6,000
Interest cost	79,000	106,000
Benefits paid	(100,000)	(108,000)
Experience gain on defined benefit	-	(133,000)
Changes to demographic assumptions	-	(17,000)
Changes to financial assumptions	465,000	396,000
Defined benefit obligation at the end of the year	4,484,000	3,991,000

The major categories of assets as a percentage of total assets are as follows:

	2020
Equities (all quoted investments)	40%
Index-linked gilts	37%
Bonds (all quoted investments)	22%
Cash	1%
Total	100%

The assets do not include any investment in shares of the company (2019: £nil).

Securitas Security Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

21 Post-employment benefits (continued)

The actual return on the scheme's assets over the year to the review date was around 9.0% (2019: 15.4%).

	2020	2019
Discount rate	1.2% pa	2.0% pa
Inflation assumption (RPI)	3.2% pa	3.3% pa
Inflation assumption (CPI)	2.3% pa	2.3% pa
Salary increases	3.0% pa	3.0% pa
Post-retirement mortality	S3NA tables with CMI 2018 projections using a long-term improvement rate of 1.25% p.a. The initial addition is 0.50% p.a.	S3NA tables with CMI 2018 projections using a long-term improvement rate of 1.25% p.a. The initial addition is 0.50% p.a.
Tax free cash	No allowance has been made for members to take tax free cash	No allowance has been made for members to take tax free cash

As required by FRS 101 and IAS 19, the current service cost of the accrual of benefits for the year to the review date is calculated using the projected unit method.

Guaranteed Minimum Pensions (GMPs) equalization transfer values

On 20 November 2020 the High Court ruled that past transfer values should be reviewed to consider whether they need topping-up to address any inequalities as a result of differences in accrual and hence benefits awarded to members from GMP. This applies to all transfers where a member has any service in between 17 May 1990 and 5 April 1997. The impact is not likely to be material, but any such additional liability will be recognised in next year's income statement, as a past service cost.

Retail Prices Index (RPI) reform

On 25 November 2020, HM Treasury and the UK Statistics Authority released their joint response to the consultation on the 'Reform to RPI methodology', and specifically the proposal to align RPI with CPIH (CPI including owner occupiers' housing costs) from 2030 (or possibly as early as 2025). This is likely to have an impact on reducing pension liabilities in the future.

Securitas Security Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

21 Post-employment benefits (continued)

The sensitivity of the defined benefit obligation to changes in the principal assumptions is as follows:	Approximate effect on liabilities 2020 %
Discount rate	
Plus 0.1%	(1.6%)
Minus 0.1%	1.6%
Inflation	
Plus 0.1%	1.7%
Minus 0.1%	(1.6%)
Salary increase	
Plus 0.1%	0.0%
Minus 0.1%	(0.0%)
Pension increase	
Plus 0.1%	-
Minus 0.1%	-
Mortality	
Life expectancy +1 year	4.5%

Note that the above sensitivities are approximate and only show the likely effect of an assumption being adjusted whilst all other assumptions remain the same.

Effect of the Scheme on company's future cash flows

The company is required to agree a schedule of contributions with the trustees of the Scheme following a valuation which must be carried out at least once every three years. The next valuation of the Scheme is due as at 31 March 2022. In the event that the valuation reveals a larger deficit than expected the company may be required to increase contributions above those set out in the existing schedule of contributions. Conversely, if the position is better than expected contributions may be reduced.

The company does not expect to need to pay contributions towards a deficit in the year ended 31 December 2020.

The weighted average duration of the defined benefit obligation is approximately 17 years.

Securitas Security Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

22 Commitments under operating leases

There are no contingent assets or liabilities incurred by the company as at 31 December 2020 (2019: £nil).

23 Called up share capital

	31 December 2020	31 December 2019
	£	£
<hr/>		
Allotted, called up and fully paid		
757,600 (2019: 757,600) ordinary share of £0.01 each	7,576	7,576

24 Financial instruments

The company has the following financial instruments:

	2020	2019
	£	£
<hr/>		
Financial assets		
Financial assets that are debt instruments measured at amortised cost		
- Trade receivables	33,078,880	41,709,130
- Amounts owed by group undertakings (falling due within one year)	28,829,382	10,307,322
	<hr/> 61,908,262	<hr/> 52,016,452
<hr/>		
Financial liabilities		
Financial liabilities that are debt instruments measured at amortised cost		
- Trade creditors	6,855,106	5,070,193
- Amounts owed to group undertakings (falling due within one year)	1,144,559	1,091,470
	<hr/> 7,999,665	<hr/> 6,161,663

25 Related party transactions

The company is a wholly owned subsidiary of Securitas AB, and as such the company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries. The consolidated financial statements of Securitas AB, within which this company is included, can be obtained from the address given in note 28.

Securitas Security Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

26 Subsequent events

There have been no material subsequent events.

27 Acquisition of trade and net assets of fellow subsidiary undertakings

On 1 April 2020, the company acquired the trade and net assets of fellow subsidiary undertakings Allcoopers Limited, Allcooper Barrier Systems Limited, Connect Systems Installations Limited and Executive Security Ltd for a consideration of £2,082,719 (includes fixed assets of £557,431 and net current assets of £1,525,288) and the consideration payable was settled via the intercompany loan account.

28 Controlling parties

Securitas Services Holding UK Limited, incorporated in Great Britain and registered in England and Wales, is the immediate parent company. Securitas AB, incorporated in Sweden, is the ultimate parent company.

The smallest and largest group in which the results of the company are consolidated is that headed by the ultimate controlling party, Securitas AB, incorporated in Sweden. The consolidated financial statements of the group are available to the public and may be obtained from Securitas AB, Holding Administration, Lindhagensplan, PO Box 12307, S-102 28, Stockholm, Sweden.

The ultimate controlling party is Securitas AB, incorporated in Sweden, by virtue of its 100% holding of the ordinary share capital of Securitas Services Holding UK Limited, which is the immediate parent company of Securitas Security Services (UK) Limited.