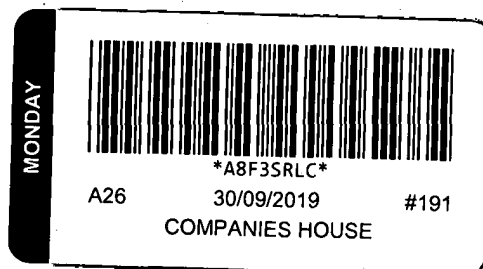


Registered number: 05919138

**SEAL SECURITY UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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SEAL SECURITY UK LIMITED

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SEAL SECURITY UK LIMITED

COMPANY INFORMATION

Director	J L Silverman
Company secretary	Taylor Wessing Secretaries Limited
Registered number	05919138
Registered office	16 St Martin's Le Grand St Paul's London EC1A 4EN
Independent auditor	Blick Rothenberg Audit LLP Chartered Accountants & Statutory Auditor 16 Great Queen Street Covent Garden London WC2B 5AH

SEAL SECURITY UK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Introduction

The director presents his report and the financial statements for the year ended 31 December 2018. The principal activity of the company during the year continued to be a provider of uniformed security guards and safety activities.

Business review

During the year ended 31 December 2018, turnover increased by £1,673,736 to £8,237,875, when compared to the prior year. A significant factor for the increase in turnover was the continued expansion of the principal customer of the company. During the year the company became aware of a rebate due to its primary customer, resulting in a decrease in revenue, net of foreign exchange movements of £329,226 (2017: £405,066). The prior year financial statements have been restated to reflect this (refer to note 19).

The gross profit margin was 7.9% (2017: 8.7%), the decrease reflecting the competitive market conditions and the increase in personnel costs.

Administrative expenses increased to £447,538 (2017: £164,058) reflecting foreign currency movements and increases in some operating costs,

Profit before tax was £366,253 (2017: loss £121,984). The increase in profit is attributed to the increase in the gross profit following the expansion of the company's main customer and the reduction in foreign currency impact as detailed above.

Principal risks and uncertainties

Primary risks comprise:

- reliance on the principal customer;
- sourcing of appropriate personnel.

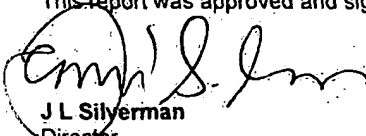
Implications of the United Kingdom's decision to leave the European Union ('Brexit')

Brexit planning is being constantly reviewed to ensure that the company is in the best possible position to provide uninterrupted services to our customers in the UK and Europe in case of the UK leaving the European Union without a deal.

Financial key performance indicators

The director considers profitability as the primary key performance indicator. During the year the operating profit margin decreased from 6.2% to 2.5% for the reasons noted above.

This report was approved and signed by the sole director.


J L Silyerman
Director

Date: 27 SEPT 2019

SEAL SECURITY UK LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The director presents his report and the financial statements for the year ended 31 December 2018.

Results and dividends

The profit for the year, after taxation, amounted to £291,811 (2017 - loss £98,474).

The director does not recommend a dividend.

Director

The director who served during the year was:

J L Silverman

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Matters covered in the strategic report

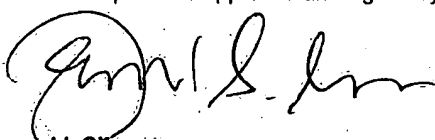
As permitted by s414c(11) of the Companies Act 2006, the directors have elected to disclose information, required to be in the directors' report by Schedule 7 of the 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008', in the strategic report.

Disclosure of information to auditor

The director at the time when this director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved and signed by the sole director.



J L Silverman
Director

Date: 27 SEPT 2019

SEAL SECURITY UK LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

The director is responsible for preparing the strategic report, the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

SEAL SECURITY UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEAL SECURITY UK LIMITED FOR THE YEAR ENDED 31 DECEMBER 2018

Opinion

We have audited the financial statements of Seal Security UK Limited (the 'company') for the year ended 31 December 2018, which comprise the profit and loss account, the balance sheet, the statement of cash flows, the statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

SEAL SECURITY UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEAL SECURITY UK LIMITED (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

SEAL SECURITY UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEAL SECURITY UK LIMITED (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

Responsibilities of directors

As explained more fully in the director's responsibilities statement on page 4, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

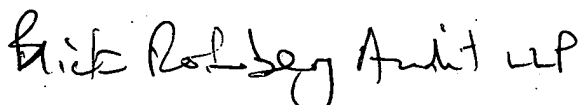
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Mayston (senior statutory auditor)

for and on behalf of
Blick Rothenberg Audit LLP

Chartered Accountants
Statutory Auditor

16 Great Queen Street
Covent Garden
London
WC2B 5AH

Date: 30 September 2019

SEAL SECURITY UK LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018

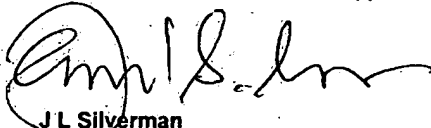
	Note	2018 £	As restated 2017 £
Turnover	3	8,237,875	6,564,139
Cost of sales		(7,585,385)	(5,992,587)
Gross profit		652,490	571,552
Administrative expenses		(447,538)	(164,058)
Operating profit	4	204,952	407,494
Interest receivable and similar income	7	280	37
Other finance income/(charge)	8	161,021	(529,515)
Profit/(loss) before taxation		366,253	(121,984)
Tax on profit/(loss)	9	(74,442)	23,510
Profit/(loss) for the financial year		291,811	(98,474)

There are no items of other comprehensive income for either the year or the prior year other than the profit or loss for the year. Accordingly, no statement of other comprehensive income has been presented.

SEAL SECURITY UK LIMITED**BALANCE SHEET
AS AT 31 DECEMBER 2018**

	Note	2018 £	As restated 2017 £
Current assets			
Debtors: amounts falling due within one year	10	7,190,512	6,798,191
Cash at bank and in hand	11	762,970	48,442
		<u>7,953,482</u>	<u>6,846,633</u>
Creditors: amounts falling due within one year	12	(3,003,594)	(2,188,556)
Net current assets		<u>4,949,888</u>	<u>4,658,077</u>
Net assets		<u>4,949,888</u>	<u>4,658,077</u>
Capital and reserves			
Called up share capital	14	1,000	1,000
Profit and loss account	15	4,948,888	4,657,077
Total equity		<u>4,949,888</u>	<u>4,658,077</u>

The financial statements were approved and signed by the sole director.


J.L. Silverman
Director

Date: 27 SEPT 2019

The notes on pages 12 to 24 form part of these financial statements.

SEAL SECURITY UK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2017 - as previously stated	1,000	4,439,608	4,440,608
Prior year adjustment - as explained in note 19	-	315,943	315,943
At 1 January 2017 - as restated	1,000	4,755,551	4,756,551
Comprehensive income for the year			
Profit for the financial year (as restated)	-	(98,474)	(98,474)
At 1 January 2018 - as restated	1,000	4,657,077	4,658,077
Comprehensive income for the year			
Profit for the financial year	-	291,811	291,811
At 31 December 2018	1,000	4,948,888	4,949,888

SEAL SECURITY UK LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	As restated 2017 £
Cash flows from operating activities		
Profit/(loss) for the financial year	291,811	(98,474)
Adjustments for:		
Interest received	(280)	(37)
Taxation charge/(credit)	74,442	(23,510)
Increase in debtors	(288,763)	(1,458,164)
Increase in creditors	815,038	1,350,463
Corporation tax paid	(178,000)	(181,990)
Net cash generated/(used in) from operating activities	714,248	(411,712)
Cash flows from investing activities		
Interest received	280	37
Net cash from investing activities	280	37
Net increase/(decrease) in cash and cash equivalents	714,528	(411,675)
Cash and cash equivalents at beginning of year	48,442	460,117
Cash and cash equivalents at the end of year	762,970	48,442
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	762,970	48,442
	762,970	48,442

SEAL SECURITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

Seal Security UK Limited's principal activity is a provider of uniformed security guards and safety activities.

The company is a private company limited by shares incorporated in England and Wales. Its registered office is 16 St Martin's Le Grand, St Paul's, London, EC1A 4EN and its principal place of business is 3 Queen Victoria Street, London, EC4N 4TQ.

The financial statements are presented in Sterling (£).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 Going concern

The company has adequate financial resources and as a consequence, the director believes that the company is well placed to manage its business risks successfully. After making inquiries, the director has a reasonable expectation that the company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future. Accordingly, he continues to adopt the going concern basis in preparing the financial statements.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

SEAL SECURITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.4 Financial instruments

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances and intercompany working capital balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditor and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

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

SEAL SECURITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.5 Share capital

Ordinary shares are classified as equity.

SEAL SECURITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.6 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is Sterling (£).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the profit and loss account within 'other operating income'.

2.7 Interest income

Interest income is recognised in the profit and loss account using the effective interest method.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

SEAL SECURITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

SEAL SECURITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

3. Turnover

An analysis of turnover by class of business is as follows:

	2018 £	As restated 2017 £
Rendering of services	<u>8,237,875</u>	<u>6,564,139</u>

Analysis of turnover by country of destination:

	2018 £	As restated 2017 £
United Kingdom	6,462,368	4,992,727
Rest of Europe	1,679,120	1,571,412
Rest of the world	96,387	
	<u>8,237,875</u>	<u>6,564,139</u>

4. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	12,500	11,000
Fees payable to the company's auditor for other services to the company	11,639	5,034
Defined contribution pension cost	<u>64,272</u>	<u>36,274</u>

SEAL SECURITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

5. Employees

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	4,281,351	3,110,540
Social security costs	448,427	326,444
Cost of defined contribution scheme	64,272	36,274
	<u>4,794,050</u>	<u>3,473,258</u>

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

	2018	2017
Directors	1	1
Operations	115	93
	<u>116</u>	<u>94</u>

6. Director's remuneration

During the year the direction received no remuneration (2017: £nil).

7. Interest receivable

	2018 £	2017 £
Bank interest receivable	<u>280</u>	<u>37</u>

8. Other finance charge

	2018 £	2017 £
Foreign exchange gains/(losses) on intercompany balances	<u>161,021</u>	<u>(529,515)</u>

SEAL SECURITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

9. Taxation

	2018 £	As restated 2017 £
Corporation tax		
Current tax on profit/(loss) for the year	74,442	(23,510)
Total current tax	<u>74,442</u>	<u>(23,510)</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit	<u>74,442</u>	<u>(23,510)</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	As restated 2017 £
Profit/(loss) before tax	366,253	(121,984)
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	69,588	(23,482)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	4,854	-
Other differences leading to an increase (decrease) in the tax charge	-	(28)
Total tax charge for the year	<u>74,442</u>	<u>(23,510)</u>

Factors that may affect future tax charges

A reduction to the UK corporation tax rate to 17%, effective from 1 April 2020, was substantively enacted as part of the Finance (No. 2) Act 2016 on 6 September 2016. Deferred taxes at the balance sheet date have been measured using the enacted tax rates based on when the timing difference is expected to reverse and reflected in these financial statements.

SEAL SECURITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

10. Debtors

	2018 £	As restated 2017 £
Trade debtors	3,418,684	2,090,117
Amounts owed by group undertakings	3,443,371	3,908,285
Other debtors	328,457	33,789
Prepayments and accrued income	-	766,000
	<u>7,190,512</u>	<u>6,798,191</u>

11. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<u>762,970</u>	<u>48,442</u>

12. Creditors: Amounts falling due within one year

	2018 £	As restated 2017 £
Trade creditors	631,496	536,340
Amounts owed to group undertakings	163,430	182,827
Other taxation and social security	473,441	298,907
Other creditors	5,149	-
Accruals and deferred income	1,730,078	1,170,482
	<u>3,003,594</u>	<u>2,188,556</u>

SEAL SECURITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

13. Financial instruments

	2018 £	As restated 2017 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>6,862,055</u>	<u>5,998,402</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>794,926</u>	<u>719,167</u>

Financial assets measured at amortised cost comprise trade debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors and amounts owed to group undertakings.

14. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
1,000 (2017 - 1,000) Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

15. Reserves

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

16. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension contributions charge represents contributions payable by the company to the fund and amounted to £51,325 (2017: £36,274). At the balance sheet date, pension contribution balances payable to the fund of £5,149 (2017: £nil) were included within creditors.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

17. Ultimate parent undertaking

The parent undertaking of the smallest group of undertakings for which group financial statements are drawn up and of which the company is a member is Silverseal Corporation, whose registered office is 3rd Floor, The South Street Seaport, 19 Fulton Street, New York, New York 10038. Copies of these group financial statements are available to the public from its registered office.

The ultimate parent company is Silverseal Corporation, a company incorporated in New York.

In the opinion of the director the ultimate controlling party is J L Silverman.

18. Related party transactions

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

The director and certain individuals are considered to be key management personnel. Total remuneration in respect of these individuals is £177,652 (2017: £124,180). The director does not receive any remuneration.

SEAL SECURITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

19. Prior year adjustment

Subsequent to the signing of the financial statements for the year ended 31 December 2017 the following prior year adjustments were identified by the director:

Profit for the year ended 31 December 2017

	Note	£
As originally stated		656,201
Reduction in turnover, net of foreign exchange movement	1	(405,066)
Foreign exchange impact on retranslation of intercompany balances	2	(529,515)
Tax charge impact	3	179,906
As restated		(98,474)

Retained earnings reconciliation at 31 December 2017

		£
As originally stated		5,095,809
Reduction in turnover, net of foreign exchange movement	1	(838,605)
Foreign exchange impact on retranslation of intercompany balances	2	298,952
Tax charge impact	3	100,921
As restated		4,657,077

Retained earnings reconciliation at 31 December 2016

		£
As originally stated		4,439,608
Reduction in turnover, net of foreign exchange movement	1	(433,539)
Foreign exchange impact on retranslation of intercompany balances	2	828,467
Tax charge impact	3	(78,985)
As restated		4,755,551

SEAL SECURITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

19. Prior year adjustment (continued)

Note 1

In 2019 a contractual settlement was agreed with a customer in respect of certain revenues previously billed. This resulted in an overstatement of revenue in 2017 and prior. Accordingly revenue recognised has been reduced in 2017 and prior, with a corresponding increase in deferred income.

Note 2

A number of intercompany balances were in fact denominated in local currencies and therefore these balances had not been correctly retranslated in previous years.

Note 3

As a result of the above adjustments, the taxation charge has been restated.