

Interphone Security Group Limited

Report and Financial Statements

31 March 2007

Interphone Security Group Limited

Registered No: 2261310

Directors

I Aziz
C C McGill
J J Synett
M D Watson

Secretary

J M Carr

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Bankers

Bank of Scotland
PO Box 267
38 Threadneedle Street
London
EC2P 2EM

Registered office

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Directors' report

The directors present their report and financial statements for the year ended 31 March 2007.

Results and dividends

The group profit for the year after taxation amounted to £1,473,584 (2006 - profit of £1,517,118). A dividend of £1,500,000 was paid during the year, (2006 - £600,000). The directors do not recommend a final dividend on the ordinary shares.

Principal activities, review of the business and future developments

The principal activities of the group during the year continued to be that of the supply, installation and maintenance of internal communication, CCTV surveillance security, door entry equipment and related systems on long term rental and outright sale principally to the building industry, property management companies and local authorities.

The principal activity of the company was that of a holding company.

The group's key financial and other performance indicators during the year were as follows:

	2007 £	2006 £	Change %
Group turnover	7,249,416	6,657,900	9
Operating profit	1,556,683	1,723,830	(10)
Profit after tax	1,473,584	1,517,118	(3)
Shareholders' funds	10,818,734	10,845,150	-
Average number of employees	56	52	8

Group turnover increased by 9% during the year and reflects an overall increase in the value of sales orders taken and the rate of installation completions during the year. Notwithstanding the increase in turnover operating profit has reduced by 10%. This reduction reflects, in part, a significant investment in new IT systems and a corresponding increase in depreciation. Employment costs have also risen due to increases in staff numbers.

Profit after tax has reduced by 3% after a tax charge of £114,750 (2006 - £227,250) for the year. Shareholders' funds are largely unchanged following payment of a dividend of £1,500,000.

The directors are satisfied with the group's performance for the year and its prospects. The group will continue to pursue its principal activity.

Financial instruments, liquidity and credit risks

The company's and group's financial instruments, liquidity, cash flows and credit risks are managed on a group basis by the company's parent undertaking, Roadweald Limited. Full details of the policies are detailed in the financial statements of the parent undertaking.

Directors' report

Directors

The directors during the year and subsequently were as follows:

Paul Taylor	(resigned 31 July 2006)
I Aziz (Sales)	(appointed 1 September 2006)
P C Cammidge (Engineering)	(appointed 1 September 2006, resigned 31 August 2007)
M H Jankowski	(resigned 3 May 2007)
J J Synett (Chief Executive)	
C C McGill	(appointed 2 January 2007)
M D Watson	(appointed 3 May 2007)

Directors' qualifying third party indemnity provision

The company has granted an indemnity to one or more directors against liability in respect of proceedings brought by third parties, subject to conditions set out in the Companies Act 1985. Such qualifying third party indemnity provision remains in force as at the date of approving the director's report.

Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that:

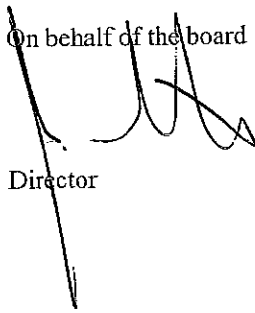
- To the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the board

Director



Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; 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 responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Interphone Security Group Limited

We have audited the group's and parent's financial statements for the year ended 31 March 2007 which comprise the Group Profit and Loss Account, Group Statement of Total Recognised Gains and Losses, Group Balance Sheet, Company Balance Sheet, and the related notes 1 to 22. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report

to the members of Interphone Security Group Limited (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and of the group as at 31 March 2007 and of the profit of the group for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Ernst & Young LLP.

Ernst & Young LLP
Registered Auditor
London

15 February 2008

Group profit and loss account

for the year ended 31 March 2007

	<i>Notes</i>	<i>2007</i> £	<i>2006</i> £
Turnover	2	7,249,416	6,657,900
Cost of sales		(3,159,754)	(2,631,659)
		<hr/>	<hr/>
Gross profit		4,089,662	4,026,241
Administrative expenses		(2,539,531)	(2,306,536)
Other operating income		6,552	4,125
		<hr/>	<hr/>
Operating profit	3	1,556,683	1,723,830
Interest receivable and similar income		83,526	71,788
Interest payable and similar charges	6	(51,875)	(51,250)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		1,588,334	1,744,368
Taxation	7	(114,750)	(227,250)
		<hr/>	<hr/>
Profit for the financial year		<u>1,473,584</u>	<u>1,517,118</u>

All results relate to continuing activities.

Group statement of total recognised gains and losses

There are no recognised gains or losses other than the profit of £1,473,584 attributable to the shareholders for the year ended 31 March 2007 (2006 - profit of £1,517,118).

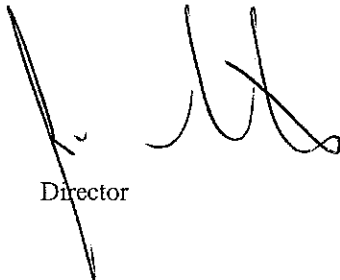
Group balance sheet

at 31 March 2007

	<i>Notes</i>	<i>2007</i> £	<i>2006</i> £
Fixed assets			
Tangible assets	9	495,725	273,480
Current assets			
Stocks and work in progress	11	736,979	1,328,823
Debtors - due after more than one year	12	10,866,898	10,819,173
Debtors - due within one year	12	4,443,358	1,927,864
Cash at bank and in hand		2,450,147	2,835,794
		<u>18,497,382</u>	<u>16,911,654</u>
Creditors: amounts falling due within one year	13	(6,632,352)	(4,912,713)
		<u>11,865,030</u>	<u>11,998,941</u>
Net current assets			
		<u>12,360,755</u>	<u>12,272,421</u>
Total assets less current liabilities			
		<u>12,360,755</u>	<u>12,272,421</u>
Creditors: amounts falling due after more than one year	14	(15,021)	(15,021)
Provisions for liabilities			
Deferred taxation	15	(1,527,000)	(1,412,250)
		<u>10,818,734</u>	<u>10,845,150</u>
Capital and reserves			
Called up share capital	16	105,147	105,147
Share premium account	17	141,176	141,176
Capital reserve	17	495,733	495,733
Profit and loss account	17	10,076,678	10,103,094
		<u>10,818,734</u>	<u>10,845,150</u>
Shareholders' funds	17	10,818,734	10,845,150

The financial statements were approved by the Board on

8 February 2008



Director

Balance sheet

at 31 March 2007

	Notes	2007 £	2006 £
Fixed assets			
Investments	10	4,560,750	4,560,750
Current assets			
Debtors	12	5,636,181	5,594,176
Cash at bank and in hand		38	66
		5,636,219	5,594,242
Creditors: amounts falling due within one year	13	(2,225,218)	(627,368)
Net current assets		3,411,001	4,966,874
Total assets less current liabilities		7,971,751	9,527,624
Creditors: amounts falling due after more than one year	14	(15,021)	(15,021)
		7,956,730	9,512,603
Capital and reserves			
Called up share capital	16	105,147	105,147
Share premium account	17	141,176	141,176
Revaluation reserve	17	4,064,250	4,064,250
Profit and loss account	17	3,646,157	5,202,030
Shareholders' funds	17	7,956,730	9,512,603

The financial statements were approved by the Board on

8 February 2008

Director

Notes to the financial statements

at 31 March 2007

1. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of fixed asset investments, and in accordance with applicable accounting standards.

Basis of consolidation

The group financial statements consolidate the financial statements of Interphone Security Group Limited and its subsidiary undertakings drawn up to 31 March each year. No profit and loss account is presented for the company as permitted by section 230 of the Companies Act 1985.

Statement of cash flows

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of a company producing publicly available group financial statements.

Fixed asset investments

The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, as follows:

Leasehold additions	-	over the length of the lease
Computer equipment	-	25% on cost per annum
Fixtures, fittings and equipment	-	15% on cost per annum
Motor vehicles	-	25% on cost per annum

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value as follows:

Stock	-	purchase cost on a first-in, first-out basis.
Work in progress	-	cost of direct materials and labour

Previously the valuation of work in progress included an apportionment of overheads.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Notes to the financial statements

at 31 March 2007

1. Accounting policies (continued)

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Income derived from finance leases

Equipment leased under finance leases in accordance with SSAP 21 is deemed to be sold at normal end user selling prices, and is included in turnover at the inception of the lease. Income from finance leases (after deducting the proportion attributable to maintenance) is recognised over the primary period of the lease so as to give a constant rate of return.

Income derived from maintenance services

Income derived from maintenance contracts is accrued on a straight line basis over the term of the contract. Other maintenance income is recognised on provision of the service.

Income derived from outright sales

Income derived from outright sales is recognised on delivery or completion of installation. Previously income had been recognised on an invoiced basis.

Operating leases

Payments due under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Provisions for liabilities

A provision is recognised when the group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Notes to the financial statements

at 31 March 2007

2. Turnover

Turnover, which is stated net of value added tax and is generated wholly in the United Kingdom, represents amounts invoiced to third parties in respect of the group's continuing activity as stated in the directors' report.

An analysis of turnover by class of business is given below:

	2007	2006
	£	£
Income from finance leases	4,332,949	4,465,886
Income from maintenance	335,603	530,576
Outright sales	2,427,571	1,509,855
Trade and sundry sales	153,293	151,583
	<u>7,249,416</u>	<u>6,657,900</u>

3. Operating profit

This is stated after charging:

	2007	2006
	£	£
Auditors' remuneration - audit services	35,000	45,000
- non-audit services	28,000	25,000
	<u>63,000</u>	<u>70,000</u>
Depreciation of tangible fixed assets	102,909	46,728
Loss on sale of fixed assets	1,216	-
	<u>104,125</u>	<u>46,728</u>
Operating lease rentals - land and buildings	51,750	51,750
- other	128,301	117,977
	<u>180,051</u>	<u>169,727</u>

4. Directors' remuneration

	2007	2006
	£	£
Emoluments	308,804	329,923
	<u>308,804</u>	<u>329,923</u>
Group contributions paid to defined contribution pension schemes	26,577	52,708
	<u>26,577</u>	<u>52,708</u>
	2007	2006
	No.	No.
Members of money purchase pension schemes	4	4
	<u>4</u>	<u>4</u>

Notes to the financial statements

at 31 March 2007

4. Directors' remuneration (continued)

The amounts in respect of the highest paid director are as follows:

	2007	2006
	£	£
Emoluments	165,000	101,563
Group contributions paid to defined contribution pension schemes	16,802	31,625

5. Staff costs (including directors)

	2007	2006
	£	£
Wages and salaries	2,054,420	1,811,411
Social security costs	224,365	205,626
Other pension costs	110,425	117,626
	<u>2,389,210</u>	<u>2,134,663</u>

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

	2007	2006
	No.	No.
Sales	8	6
Engineering	24	23
Other	24	23
Full time	<u>56</u>	<u>52</u>

6. Interest payable and similar charges

	2007	2006
	£	£
Preference dividends on non-equity shares	51,850	51,250
Interest payable on bank overdraft	25	-
	<u>51,875</u>	<u>51,250</u>

Notes to the financial statements

at 31 March 2007

7. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2007	2006
	£	£
<i>Current tax:</i>		
UK corporation tax on the profit for the year	-	-
Total current tax (note 7(b))	-	-
<i>Deferred tax:</i>		
Origination and reversal of timing differences (note 15)	114,750	227,250
Total tax charge for year	114,750	227,250

(b) Factors affecting the current tax for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 30% (2006 - 30%). The differences are explained below:

	2007	2006
	£	£
Profit on ordinary activities before tax	1,588,334	1,744,368
Profit / (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 - 30%)	476,500	523,310
<i>Effects of:</i>		
Non taxable income	(41,609)	(211,938)
Expenses not deductible for tax purposes	58,309	15,375
Depreciation in excess of capital allowances	12,315	111,174
Capital allowances in advance of depreciation	(140,381)	(6,751)
Utilisation of tax losses	(40,813)	(432,237)
Adjustments to tax charge in respect of previous years	-	1,067
Other short term timing differences	6,506	-
Group relief claimed before payment	(346,382)	-
Preference dividend	15,555	-
Current tax for the year (note 7(a))	-	-

Notes to the financial statements

at 31 March 2007

8. Dividends

	2007	2006
	£	£
Ordinary dividends on equity shares	1,500,000	600,000
Preference dividends on non-equity shares	51,850	51,250
	<u>1,551,850</u>	<u>651,250</u>

9. Tangible fixed assets

<i>Group</i>	<i>Leasehold additions</i>	<i>Computer equipment</i>	<i>Fixtures, fittings and equipment</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£	£	£
Cost or valuation:					
At 1 April 2006	146,157	410,333	186,205	49,912	792,607
Additions	-	277,739	48,631	-	326,370
Disposals	-	(1,365)	(3,500)	-	(4,865)
At 31 March 2007	<u>146,157</u>	<u>686,707</u>	<u>231,336</u>	<u>49,912</u>	<u>1,114,112</u>
Depreciation:					
At 1 April 2006	108,551	220,144	165,476	24,956	519,127
Provided during the year	2,736	79,456	8,239	12,478	102,909
Disposals	-	(2,625)	(1,024)	-	(3,649)
At 31 March 2007	<u>111,287</u>	<u>296,975</u>	<u>172,691</u>	<u>37,434</u>	<u>618,387</u>
Net book value:					
At 31 March 2007	<u>34,870</u>	<u>389,732</u>	<u>58,645</u>	<u>12,478</u>	<u>495,725</u>
At 1 April 2006	<u>37,606</u>	<u>190,189</u>	<u>20,729</u>	<u>24,956</u>	<u>273,480</u>

10. Investments

<i>Company</i>	<i>100 % investment in subsidiary undertakings</i>
	£
Cost:	
At 1 April 2006 and 31 March 2007	<u>4,560,750</u>
<i>Subsidiary undertakings</i>	<i>Nature of business</i>
Interphone Limited	The supply, installation and maintenance of internal communication, door entry equipment and related systems on long term rental and outright purchase

Notes to the financial statements

at 31 March 2007

10. Investments (continued)

Interphone (Sentrymatic) Limited	The supply, installation and maintenance of internal communication, door entry equipment and related systems on long term rental and outright purchase
Interphone (SM) Limited	Non trading
Interphone (Digital) Limited	Non trading
Interphone (Birmingham) Limited	Non trading
Interphone (Ibex) Limited	Non trading
Interphone (CCTV) Limited	Non trading

11. Stocks

	<i>Group</i>		<i>Company</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	£	£	£	£
Raw materials and consumables	463,331	651,821	-	-
Work in progress	273,648	677,002	-	-
	<u>736,979</u>	<u>1,328,823</u>	<u>-</u>	<u>-</u>

12. Debtors

	<i>Group</i>		<i>Company</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	£	£	£	£
Trade debtors	1,753,434	1,101,645	-	-
Amounts owed by group undertakings	1,767,046	-	5,636,181	5,594,176
Other debtors	82,876	75,429	-	-
Prepayments	81,578	74,068	-	-
Net investments in finance leases - due within one year	758,424	676,722	-	-
Debtors: amounts falling due within one year	<u>4,443,358</u>	<u>1,927,864</u>	<u>5,636,181</u>	<u>5,594,176</u>
Net investment in finance leases - due after more than one year	10,866,898	10,819,173	-	-
	<u>15,310,256</u>	<u>12,747,037</u>	<u>5,636,181</u>	<u>5,594,176</u>

Notes to the financial statements

at 31 March 2007

13. Creditors: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	2007	2006	2007	2006
	£	£	£	£
Trade creditors	697,501	751,758	-	-
Amounts owed to group undertakings	2,123,432	128,169	2,167,432	623,432
Corporation tax	1,999	-	-	-
Other taxes and social security costs	701,175	668,322	-	-
Accruals and deferred income	3,108,245	3,364,464	57,786	3,936
	<u>6,632,352</u>	<u>4,912,713</u>	<u>2,225,218</u>	<u>627,368</u>

14. Creditors: amounts falling due after more than one year

	<i>Group</i>		<i>Company</i>	
	2007	2006	2007	2006
	£	£	£	£
Preference shares	15,021	15,021	15,021	15,021

The preference shares are non-voting and entitle the holder to a dividend of £3.3287 per share per annum as from 1 July 2000 (increased thereafter by RPI) and have equivalent rights to ordinary shares as to return of capital.

15. Provisions for liabilities

Deferred taxation provided in the financial statements is as follows:

<i>Group</i>	<i>Provided</i>	
	2007	2006
	£	£
Capital allowances in advance of depreciation	1,922,000	2,073,000
Tax losses	-	(42,750)
Undiscounted provision for deferred tax	<u>1,922,000</u>	<u>2,030,250</u>
Discount	(395,000)	(618,000)
Discounted provision for deferred tax	<u>1,527,000</u>	<u>1,412,250</u>

Notes to the financial statements

at 31 March 2007

15. Provisions for liabilities (continued)

<i>Group</i>	<i>2007</i>
	<i>£</i>
At 1 April 2006	1,412,250
Deferred tax charge in profit and loss for the year (note 7(a))	114,750
	<hr/>
At 31 March 2007	1,527,000
	<hr/> <hr/>

There are no unprovided deferred tax balances in the current year.

16. Share capital

	<i>Authorised, Allotted, called up and fully paid</i>			
	<i>2007</i>		<i>2006</i>	
	<i>No.</i>	<i>£</i>	<i>No.</i>	<i>£</i>
Ordinary shares of £1 each	105,147	105,147	105,147	105,147
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

17. Reconciliation of shareholders' funds and movements on reserves

<i>Group</i>	<i>Share capital</i>	<i>Share premium account</i>	<i>Capital reserve</i>	<i>Profit and loss account</i>	<i>Total</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
At 1 April 2005	105,147	141,176	495,733	9,185,976	9,928,032
Profit for the year	-	-	-	1,517,118	1,517,118
Dividend paid	-	-	-	(600,000)	(600,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2006	105,147	141,176	495,733	10,103,094	10,845,150
Profit for the year	-	-	-	1,473,584	1,473,584
Dividend paid	-	-	-	(1,500,000)	(1,500,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2007	105,147	141,176	495,733	10,076,678	10,818,734
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements

at 31 March 2007

17. Reconciliation of shareholders' funds and movements on reserves (continued)

<i>Company</i>	<i>Share capital</i> £	<i>Share premium account</i> £	<i>Revaluation reserve</i> £	<i>Profit and loss account</i> £	<i>Total</i> £
At 1 April 2005	105,147	141,176	4,064,250	5,406,836	9,717,409
Loss for the year	-	-	-	(54,806)	(54,806)
Dividend received	-	-	-	450,000	450,000
Dividend paid	-	-	-	(600,000)	(600,000)
At 31 March 2006	105,147	141,176	4,064,250	5,202,030	9,512,603
Loss for the year	-	-	-	(55,873)	(55,873)
Dividend paid	-	-	-	(1,500,000)	(1,500,000)
At 31 March 2007	105,147	141,176	4,064,250	3,646,157	7,956,730

Of the consolidated pre-tax profit for the year, a loss of £55,873(2006 - loss of £54,806) is dealt with in the financial statements of the company.

18. Pensions

The group operates defined contribution pension schemes. The assets of the schemes are held separately from those of the group in independently administered funds. All contributions were paid during the year.

19. Other financial commitments

At 31 March 2007 the group had annual commitments under non-cancellable operating leases as set out below:

	2007		2006	
	<i>Land and buildings</i> £	<i>Other</i> £	<i>Land and buildings</i> £	<i>Other</i> £
Operating leases which expire:				
Within one year	-	17,339	-	20,230
Between two and five years	-	172,536	-	80,489
Over five years	51,750	-	51,750	-
	51,750	189,875	51,750	100,719

20. Transactions with directors

During the year rent in the sum of £5,052 (2006 - £5,500) was receivable from John Strand (MK) Limited. Mr R Metzger, a former director of the company, has a beneficial interest in 50% of the shares in John Strand (MK) Limited and is also a director of John Strand (MK) Limited.

Notes to the financial statements

at 31 March 2007

21. Related party transactions

The company has taken advantage of the exemptions available under FRS 8 not to disclose transactions with group companies, where consolidated financial statements are publicly available. No other transactions which require disclosure by FRS8 took place during the year.

22. Parent undertakings and controlling party

The immediate parent undertaking of Interphone Security Group Limited is Roadweald Limited, which is the only group for which consolidated financial statements are drawn up. Copies of the consolidated financial statements are available from the registered office of Roadweald Limited, 4th Floor, Leconfield House, Curzon Street, London, W1J 5JA. The ultimate parent undertaking is Amora limited. The controlling party is the Tchenguiz Family Trust.