

Interphone (Sentrymatic) Limited

Report and Financial Statements

31 March 2007

Interphone (Sentrymatic) Limited

Registered No: 01971636

Directors

I Aziz
J J Synett

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

12-22 Herga Road
Wealdstone
Harrow
Middlesex
HA3 5AS

Directors' report

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

Results and dividends

The profit for the year after taxation amounted to £930,099 (2006 - profit of £1,380,300). The directors do not recommend a final dividend.

Principal activity, review of the business and future developments

The company's principal activity during the year continued to be 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.

Key financial and other performance indicators are monitored on a group basis and details can be found in the accounts of Interphone Security Group Limited. The directors are satisfied with the company's results for the year and its prospects. The company will continue to pursue its principal activity.

Financial instruments, liquidity and credit risks

The company'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

The directors who served the company during the year were as follows:

C B Steinbock	(resigned 31 December 2006)
R Metzger FCA	(resigned 14 October 2006)
I Aziz (Sales)	(appointed 1 September 2006)
P Cammidge	(appointed 1 September 2006, resigned 31 August 2007)
M H Jankowski	(resigned 3 May 2007)
J J Synett (Chief Executive)	

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:

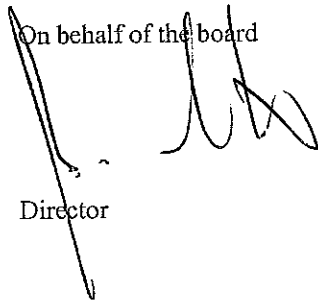
- To the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information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

Directors' report

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 profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

Independent auditors' report

to the members of Interphone (Sentrymatic) Limited

We have audited the company's financial statements for the year ended 31 March 2007 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 13. 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 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.

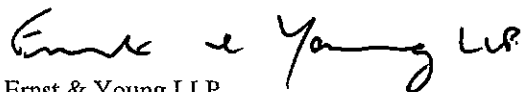
Independent auditors' report

to the members of Interphone (Sentrymatic) 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 the company's affairs as at 31 March 2007 and of its profit 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
Registered Auditor
London

15 February 2008

Profit and loss account

for the year ended 31 March 2007

	<i>Notes</i>	2007 £	2006 £
Turnover	2	3,702,844	3,120,771
Cost of sales		(1,362,206)	(1,122,197)
Gross profit		<u>2,340,638</u>	<u>1,998,574</u>
Administrative expenses		(1,242,789)	(356,024)
Profit on ordinary activities before taxation	3	<u>1,097,849</u>	<u>1,642,550</u>
Taxation	5	(167,750)	(262,250)
Profit for the financial year		<u><u>930,099</u></u>	<u><u>1,380,300</u></u>

All results relate to continuing activities

Statement of total recognised gains and losses

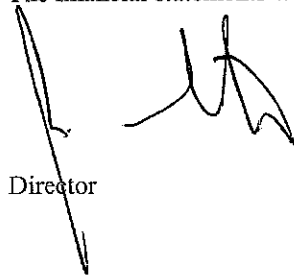
There are no recognised gains or losses other than the profit of £930,099 attributable to the shareholders for the year ended 31 March 2007 (2006 - profit of £1,380,300).

Balance sheet

at 31 March 2007

	Notes	2007 £	2006 £
Current assets			
Stocks	6	235,950	663,122
Debtors - due after more than one year	7	3,649,187	3,870,900
Debtors - due within one year	7	4,130,639	2,181,754
Cash at bank and in hand		14	13
		<u>8,015,790</u>	<u>6,715,789</u>
Creditors: amounts falling due within one year	8	(1,656,292)	(1,454,140)
Provisions for liabilities			
Deferred taxation	9	(430,000)	(262,250)
		<u>5,929,498</u>	<u>4,999,399</u>
Capital and reserves			
Called up share capital	10	3,351,001	3,351,001
Profit and loss account	11	2,578,497	1,648,398
		<u>5,929,498</u>	<u>4,999,399</u>
Shareholders' funds	11	<u>5,929,498</u>	<u>4,999,399</u>

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 and in accordance with applicable accounting standards.

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.

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:

Work in progress - cost of direct materials and labour

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

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.

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 company 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	1,207,981	1,492,560
Income from maintenance	77,440	157,385
Outright sales	2,399,602	1,446,168
Trade and sundry sales	17,821	24,658
	<u>3,702,844</u>	<u>3,120,771</u>

3. Profit on ordinary activities before taxation

This is stated after charging:

	2007	2006
	£	£
Auditors' remuneration	17,500	17,500
	<u>17,500</u>	<u>17,500</u>

4. Directors' remuneration and staff costs

Directors receive emoluments from another group company, Interphone Limited. No amounts are specifically recharged to the company in respect of their services as directors so it is not possible to state their aggregate emoluments.

Similarly, staff costs are borne by Interphone Limited and no amounts are specifically recharged to the company in respect of these costs.

5. 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 5(b))	<u>-</u>	<u>-</u>
<i>Deferred tax:</i>		
Origination and reversal of timing differences (note 9)	167,750	262,250
Total tax charge for year	<u>167,750</u>	<u>262,250</u>

Notes to the financial statements

at 31 March 2007

5. Tax (continued)

(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	1,097,849	1,642,550
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 - 30%)	329,355	492,765
<i>Effects of:</i>		
Non-taxable income	(41,609)	(177,247)
Expenses not deductible for tax purposes	41,609	-
Group relief claimed before payment	(147,250)	-
Capital allowances in excess of depreciation	(140,381)	(6,751)
Utilisation of tax losses	(42,020)	(308,767)
Other short term timing differences	296	-
Current tax for the year (note 5(a))	-	-

6. Stocks

	2007 £	2006 £
Work in progress	235,950	663,122

7. Debtors

	2007 £	2006 £
Trade debtors	1,069,782	611,593
Amount owed by group undertakings	2,908,007	1,431,999
Net investment in finance leases - due in one year	152,850	138,162
Debtors: amounts falling due within one year	4,130,639	2,181,754
Net investment in finance leases - due after more than one year	3,649,187	3,870,900
	7,779,826	6,052,654

Notes to the financial statements

at 31 March 2007

8. Creditors: amounts falling due within one year

	2007	2006
	£	£
Other creditors	490,229	7,500
Accruals and deferred income	901,142	1,389,671
Amounts owed to group undertakings	264,921	56,969
	<u>1,656,292</u>	<u>1,454,140</u>

9. Provisions for liabilities

Deferred taxation provided in the financial statements is as follows:

	2007	2006
	£	£
Capital allowances in advance of depreciation	493,000	475,000
Tax losses	-	(42,750)
	<u>493,000</u>	<u>432,250</u>
Undiscounted provision for deferred tax	(63,000)	(170,000)
Discount	<u>430,000</u>	<u>262,250</u>
		£
At 1 April 2006		262,250
Deferred tax charge in profit and loss account for the year (note 5(a))		167,750
		<u>430,000</u>
At 31 March 2007		<u>430,000</u>

10. Share capital

	<i>Authorised, allotted, called up and fully paid</i>			
	2007		2006	
	No.	£	No.	£
Ordinary shares of £1 each	3,351,001	3,351,001	3,351,001	3,351,001
		<u>3,351,001</u>		<u>3,351,001</u>

Notes to the financial statements

at 31 March 2007

11. Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total</i>
	£	£	£
At 1 April 2005	3,351,001	268,098	3,619,099
Profit for the year	-	1,380,300	1,380,300
	<hr/>	<hr/>	<hr/>
At 31 March 2006	3,351,001	1,648,398	4,999,399
Profit for the year	-	930,099	930,099
	<hr/>	<hr/>	<hr/>
At 31 March 2007	<u>3,351,001</u>	<u>2,578,497</u>	<u>5,929,498</u>

12. 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.

13. Parent undertakings and controlling party

The company is a wholly owned subsidiary of Interphone Security Group Limited, the immediate parent company, which is the smallest group for which consolidated financial statements are drawn up. The intermediate parent company is Roadweald Limited, which is the largest group for which consolidated financial statements are drawn up. Copies of the consolidated financial statements for both groups are available from 12-22 Herga Road, Wealdstone, Harrow, Middlesex HA3 5AS. The ultimate parent undertaking is Amora Limited. The controlling party is the Tchenguiz Family Trust.