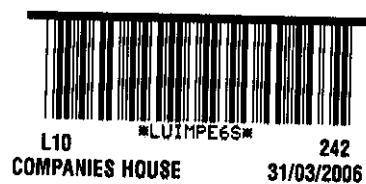


**LOOK CCTV LIMITED**  
**(Registered number 2126939)**  
**Annual Report**  
**Year ended 31 May 2005**



**LOOK CCTV LIMITED**  
**ANNUAL REPORT**  
**YEAR ENDED 31 MAY 2005**

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## **LOOK CCTV LIMITED**

### **DIRECTORS' REPORT**

The Directors submit their annual report together with the financial statements for the year ended 31 May 2005.

#### **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The Company's principal activity was the development and supply of CCTV equipment primarily for bus manufacturers and operators. On 31 March 2005, the entire trade and net assets of the company were transferred to the parent undertaking for a consideration equal to book value, which the directors considered also represented market value at that date. Accordingly, with effect from 31 March 2005, the company became dormant with its former business being carried out as a division of Quadnetics Group plc.

#### **RESULTS AND DIVIDENDS**

The profit for the year after taxation was £326,898 (2004: £246,452). The Directors recommend the payment of a dividend of £573,350.

#### **DIRECTORS**

The Directors who served during the year were:

R Cook (appointed 1 August 2005)  
D Cummings  
Fotovalue Limited  
A Myers  
N C Poultney  
A Prince  
R C Singleton

#### **DIRECTORS' INTERESTS**

None of the Directors had any interest in the share capital of the Company.

At the beginning and end of the year, A Myers had an interest in 400,000 ordinary shares of 20p each of the parent undertaking, Quadnetics Group plc, and in £349,650 unsecured loan notes of that company. In addition, D Cummings and A Prince each had an interest in 50,000 share options over the ordinary shares of 20p each in Quadnetics Group plc at the beginning and end of the year.

The interests of R C Singleton and N C Poultney in the ordinary shares of Quadnetics Group plc are shown in the accounts of that company. None of the other Directors had any interest in the share capital of any other companies within the Group.

#### **RESEARCH AND DEVELOPMENT**

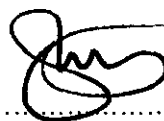
The Company continues to invest in research and development of both software and hardware products for CCTV applications incurring costs of £5,319 (2004: £1,860) in the year which have been written off to the profit and loss account.

**LOOK CCTV LIMITED**  
**DIRECTORS' REPORT (continued)**

**AUDITORS**

On 23 May 2005, PKF transferred their business to PKF (UK) LLP, a limited liability partnership. Under section 26(5) of the Companies Act 1989, the company consented to extend the audit appointment to PKF (UK) LLP from 23 May 2005. Accordingly, the audit report has been signed in the name of PKF (UK) LLP and a resolution for the reappointment of PKF (UK) LLP will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD



.....  
**N C Poultney**  
Secretary

*28 March*  
..... 2006

**LOOK CCTV LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the Directors to prepare financial statements for each financial year which 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 those financial statements the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare financial statements on a 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 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for ensuring that the Directors' Report is prepared in accordance with company law in the United Kingdom.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LOOK CCTV LIMITED

We have audited the financial statements of Look CCTV Limited for the year ended 31 May 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under 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 law and United Kingdom Accounting Standards 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 United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the Company 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**

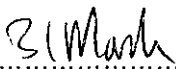
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 31 May 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

London, UK

 2006

  
**PKF (UK) LLP**  
Registered Auditors

**LOOK CCTV LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 MAY 2005**

	<u>Notes</u>	£	<u>2005</u>	£	£	<u>2004</u>	£
<b>Turnover</b>	2		<b>5,224,971</b>			1,530,074	
Cost of sales			<b>(3,661,632)</b>			(932,731)	
<b>Gross profit</b>			<b>1,563,339</b>			597,343	
Distribution costs			<b>(34,385)</b>			-	
Administrative expenses:							
Amortisation of goodwill		234,447			46,889		
Other		842,880			168,593		
			<b>(1,077,327)</b>			(215,482)	
<b>Operating profit</b>	5		<b>451,627</b>			381,861	
Interest receivable and similar income			<b>47,077</b>			905	
<b>Profit on ordinary activities before taxation</b>			<b>498,704</b>			382,766	
Tax charge on ordinary activities:							
Tax charge for the year		(216,467)			(136,314)		
Exceptional tax credit		44,661			-		
	6		<b>(171,806)</b>			(136,314)	
<b>Profit for the financial year</b>			<b>326,898</b>			246,452	
Dividends			<b>(573,350)</b>			-	
<b>Loss for the year transferred to reserves</b>	14		<b>(246,452)</b>			246,452	

There are no recognised gains or losses other than those included above.

All amounts relate to discontinued activities following the transfer of the trade and net assets of the company to its parent company, Quadnetics Group plc.

Movements on reserves are shown in note 14 to the financial statements.

**LOOK CCTV LIMITED**  
**BALANCE SHEET**  
**31 MAY 2005**

	<u>Notes</u>	<u>2005</u>	<u>2004</u>
		£	£
<b>FIXED ASSETS</b>			
Intangible assets	7	-	5,579,830
Tangible assets	8	-	166,533
			<hr/>
			5,746,363
<b>CURRENT ASSETS</b>			
Stocks	9	-	396,646
Debtors	10	2	1,965,638
Cash at bank and in hand		-	388,256
		<hr/>	<hr/>
		2	2,750,540
<b>CREDITORS</b>			
Amounts falling due within one year	11	-	(8,163,863)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		2	(5,413,323)
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2	333,040
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	12	-	(86,586)
		<hr/>	<hr/>
<b>NET ASSETS</b>		2	246,454
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	2	2
Profit and loss account	14	-	246,452
		<hr/>	<hr/>
<b>SHAREHOLDERS' FUNDS</b>	15	2	246,454
		<hr/>	<hr/>

Approved by the board on 28 March 2006

Rachel Cook  
R Cook  
Director



**LOOK CCTV LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MAY 2005**

**1 ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom.

The principal accounting policies used in the preparation of the financial statements of the Company are described below.

**(a) Accounting convention**

The financial statements have been prepared under the historical cost convention.

**(b) Turnover**

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied during the year.

**(c) Fixed assets**

Fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated so as to write off the cost of fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned, commencing on the first day of the month after being bought into use. The principal annual rates used for this purpose are:-

Plant and equipment, and motor vehicles	10% - 33%
---	-----------

**(d) Stocks**

Stocks of raw materials and consumables are stated at the lower of cost and net realisable value. Where necessary provision is made for obsolete, slow moving and defective stock.

**(e) Deferred taxation**

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is more likely than not they will be recovered. Deferred tax balances are not discounted.

**(f) Operating leases**

Payments under operating leases are charged to the profit and loss account in the year in which they are incurred.

**(g) Goodwill**

Goodwill arising on the acquisition of businesses represents the excess of the purchase price over the fair value of the identifiable net assets acquired. Goodwill is capitalised and amortised on a straight line basis over its expected useful life of up to 20 years.

**LOOK CCTV LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MAY 2005**

**1 ACCOUNTING POLICIES (continued)**

**(h) Research and development expenditure**

Research and development expenditure is written off to the profit and loss account as incurred.

**(i) Pensions**

The company operates a defined contribution pension scheme, the costs of which are charged to the profit and loss account as they fall due.

**2 TURNOVER**

	<u>2005</u> £	<u>2004</u> £
Geographical market:		
United Kingdom	5,210,175	1,530,074
Rest of the world	14,796	-
	<hr/> 5,224,971	<hr/> 1,530,074
	<hr/> <hr/>	<hr/> <hr/>

**3 STAFF COSTS**

	<u>2005</u> £	<u>2004</u> £
Wages and salaries	604,632	114,720
Social security costs	77,393	12,140
Other pension costs	5,229	-
	<hr/> 687,254	<hr/> 126,860
	<hr/> <hr/>	<hr/> <hr/>

The average number employed by the Company during the year was:

	Number	Number
Management and administration	7	4
Production and sales	18	16
	<hr/> 25	<hr/> 20
	<hr/> <hr/>	<hr/> <hr/>

**4 DIRECTORS' REMUNERATION**

	<u>2005</u> £	<u>2004</u> £
The remuneration of the Directors of the Company comprise:		
Emoluments	205,184	44,171
	<hr/> <hr/>	<hr/> <hr/>

The emoluments of the highest paid Director in 2005 was £80,630.

**LOOK CCTV LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MAY 2005**

**5 OPERATING PROFIT**

The operating profit is stated after charging the following:

	<u>2005</u> £	<u>2004</u> £
Auditors' remuneration for audit services	9,815	1,500
Depreciation of tangible fixed assets	48,550	7,418
Amortisation of goodwill	234,447	46,889
Intra-group management charge	166,327	73,499
Rental payments under operating leases:		
- land and buildings	8,500	-
- plant and equipment	18,077	1,400
Research and development expenditure	5,319	1,860
	<hr/> <hr/>	<hr/> <hr/>

**6 TAX ON PROFIT ON ORDINARY ACTIVITIES**

<b>a) Analysis of charge for the year:</b>	<u>2005</u> £	<u>2004</u> £
Total tax charge for the year:		
UK corporation tax on profits for the year	223,303	129,478
Deferred taxation	(6,836)	6,836
	<hr/>	<hr/>
	216,467	136,314
Exceptional tax credit	(44,661)	-
	<hr/>	<hr/>
	171,806	136,314
	<hr/> <hr/>	<hr/> <hr/>
<b>Current tax:</b>		
UK corporation tax on profits for the year	223,303	129,478
Exceptional tax credit in respect of previous years	(44,661)	-
	<hr/>	<hr/>
Total current tax	178,642	129,478
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(6,836)	6,836
	<hr/>	<hr/>
Total tax charge for the year	171,806	136,314
	<hr/> <hr/>	<hr/> <hr/>

The exceptional tax credit arises as a result of additional group relief received by the company.

**LOOK CCTV LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MAY 2005**

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is higher than that based upon the standard rate of corporation tax in the UK of 30%. The differences are explained below:

	<u>2005</u> £	<u>2004</u> £
Profit on ordinary activities before tax	498,704	382,766
Profit on ordinary activities multiplied by the standard rate of corporation tax of 30%	<u>149,611</u>	<u>114,830</u>
<i>Effects of:</i>		
Expenses not deductible for tax purposes	297	-
Depreciation in excess of capital allowances	3,961	581
Expenditure in prior year allowable for tax in the current year	(900)	-
Goodwill amortisation not qualifying for tax relief	70,334	14,067
Adjustment in respect of previous years	<u>(44,661)</u>	<u>-</u>
Current taxation for the year	<u>178,642</u>	<u>129,478</u>

**7 INTANGIBLE FIXED ASSETS**

	<u>Goodwill</u> £
<b>Cost</b>	
At 1 June 2004	5,626,719
Intra-group transfer	<u>(5,626,719)</u>
At 31 May 2005	<u>-</u>
<b>Amortisation</b>	
At 1 June 2004	46,889
Charge for the year	234,447
Intra-group transfer	<u>(281,336)</u>
At 31 May 2005	<u>-</u>
<b>Net book value</b>	
At 31 May 2005	<u>-</u>
At 31 May 2004	<u>5,579,830</u>

The above goodwill was being amortised over its estimated useful life of 20 years. The goodwill arose on the transfer to the Company of the net assets and trade of Look Closed Circuit TV Limited, a fellow subsidiary undertaking, on 31 March 2004.

**LOOK CCTV LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MAY 2005**

**8 TANGIBLE FIXED ASSETS**

	<u>Plant and equipment</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
<b>Cost</b>			
At 1 June 2004	65,145	179,945	245,090
Additions	29,973	-	29,973
Disposals	(350)	(15,000)	(15,350)
Intra-group transfers	(94,768)	(164,945)	(259,713)
	<hr/>	<hr/>	<hr/>
At 31 May 2005	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 June 2004	22,064	56,493	78,557
Charge for year	15,656	32,894	48,550
Disposals	(190)	(7,530)	(7,720)
Intra-group transfers	(37,530)	(81,857)	(119,387)
	<hr/>	<hr/>	<hr/>
At 31 May 2005	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 May 2005	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 May 2004	43,081	123,452	166,533
	<hr/>	<hr/>	<hr/>

**9 STOCKS**

	<u>2005</u> £	<u>2004</u> £
Raw materials and consumables	-	383,191
Finished goods and goods for resale	-	13,455
	<hr/>	<hr/>
	-	396,646
	<hr/>	<hr/>

**10 DEBTORS**

	<u>2005</u> £	<u>2004</u> £
Trade debtors	-	1,947,777
Amounts owed by group undertakings	2	-
Prepayments and accrued income	-	17,861
	<hr/>	<hr/>
	2	1,965,638
	<hr/>	<hr/>

**LOOK CCTV LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MAY 2005**

**11 CREDITORS**

	<u>2005</u> £	<u>2004</u> £
<b>Amounts falling due within one year:</b>		
Trade creditors	-	484,527
Amounts owed to group undertakings	-	6,873,497
Corporation tax	-	639,465
Other taxation and social security	-	24,301
Other creditors	-	107,754
Accruals and deferred income	-	34,319
	<hr/>	<hr/>
	-	8,163,863
	<hr/>	<hr/>

**12 PROVISIONS FOR LIABILITIES AND CHARGES**

	<u>Warranty</u> £	<u>Deferred Tax</u> £	<u>Total</u> £
At 1 June 2004	79,750	6,836	86,586
Intra-group transfer	(79,750)	(6,836)	(86,586)
	<hr/>	<hr/>	<hr/>
At 31 May 2005	-	-	-
	<hr/>	<hr/>	<hr/>

**13 CALLED UP SHARE CAPITAL**

	<u>2005</u> £	<u>2004</u> £
<b>Authorised</b>		
Ordinary Shares of £1 each	2	2
	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>		
Ordinary Shares of £1 each	2	2
	<hr/>	<hr/>

**LOOK CCTV LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MAY 2005**

**14 PROFIT AND LOSS ACCOUNT**

	£
At 1 June 2004	246,452
Loss for the year	(246,452)
	<hr/>
At 31 May 2005	-
	<hr/>

**15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<u>2005</u> £	<u>2004</u> £
(Loss)/profit for the year	(246,452)	246,452
Shareholders' funds brought forward	246,454	2
	<hr/>	<hr/>
Shareholders' funds carried forward	2	246,454
	<hr/>	<hr/>

**16 OPERATING LEASE COMMITMENTS**

	2005 Land and buildings £	2004 Land and buildings £
Operating leases which expire:-		
Over five years	-	8,400
	<hr/>	<hr/>

**17 RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption available to subsidiary undertakings from the requirement to disclose transactions with group undertakings where 90% of the voting rights of those undertakings are controlled within the group.

**18 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The ultimate parent and controlling undertaking of the largest and smallest group for which consolidated accounts are prepared is Quadnetics Group plc, a company incorporated in Great Britain. Copies of the parent undertaking's consolidated accounts may be obtained from Quadnetics Group plc, Haydon House, 5 Alcester Road, Studley, Warwickshire B80 7AN.