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Cirrus Careline Limited

Report and Financial Statements

31 December 2007

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COMPANIES HOUSE

Cirrus Careline Limited

Registered No 3229746

DIRECTORS

N G Bannister FIRPM
K C Rutherford FIRPM
M J Gaston
W K Proctor

SECRETARY

D C Edwards LLB

AUDITORS

BDO Stoy Hayward LLP
Arcadia House
Maritime Walk
Ocean Village
Southampton
SO14 3TL

BANKERS

Bank of Scotland
2nd Floor
Pentland House
8 Lochside Avenue
Edinburgh
EH12 9DJ

REGISTERED OFFICE

Queensway House
11 Queensway
New Milton
Hampshire
BH25 5NR

Cirrus Careline Limited

DIRECTORS' REPORT

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

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,916,478 (2006 £1,874,295) An interim dividend of £2,000,000 was paid in the year (2006 Nil) The directors do not recommend the payment of a final dividend

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity during the year was that of providing monitoring services

Overview

The company has had an extremely good year resulting in increased profits in 2007 The appointment of a Senior Manager during 2007 as Head of the Business has enabled the company to review its processes and gain further Accreditation within the Industry

Financial Review

The Company's performance was in line with projected results

Operating profit has increased again this year by 3.1%

Risk Analysis

The company will rely on the retention of key customers in order to continue the growth seen during the year The loss of key trained personnel would also be of risk The Company's largest customer is developments managed by another company within the group, thus mitigating this risk to acceptable levels There is a key focus on retaining personnel and maintaining a high level of training to offer good customer service and the Company now has its own dedicated Personnel and Training Team

Prospects

The arrival of new technology within the industry has added to a potentially exciting time and the potential to achieve a large increase in market share

The directors look forward to the year ahead with confidence

DIRECTORS

The directors who served during the year were as follows

N G Bannister

K C Rutherford

M J Gaston

(Appointed 31 May 2007)

W K Proctor

(Appointed 31 May 2007)

The directors are not liable to retire by rotation

INSURANCE OF COMPANY OFFICERS

The company has maintained insurance throughout the year for its directors and officers against the consequences of actions which may be brought against them in relation to their duties for the company

Cirrus Careline Limited

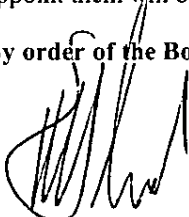
DIRECTORS' REPORT

AUDITORS

The directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board



D C Edwards
Secretary
30 September 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice

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 year. In preparing those 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,
- 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 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

REPORT OF THE INDEPENDENT AUDITORS

To the Shareholders of Cirrus Careline Limited

We have audited the company's financial statements (the "financial statements") of Cirrus Careline Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom 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 have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with those financial statements. We also 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Same as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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.

Cirrus Careline Limited

REPORT OF THE INDEPENDENT AUDITORS (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 December 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

BDO Stoy Hayward LLP

BDO STOY HAYWARD LLP
Chartered Accountants and Registered Auditors
Southampton
17 October 2008

Cirrus Careline Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2007

	<i>Notes</i>	<i>2007</i> £	<i>2006</i> £
TURNOVER	2	4,182,890	3,812,800
Cost of sales		(942,208)	(818,881)
GROSS PROFIT		3,240,682	2,993,919
Administrative expenses		(479,455)	(315,533)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	2,761,227	2,678,386
Tax on profit on ordinary activities	5	(844,749)	(804,091)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	13	1,916,478	1,874,295

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 December 2007

There are no recognised gains or losses other than the profit attributable to shareholders for the year ended 31 December 2007 of £1,916,478 (2006 £1,874,295)

Cirrus Careline Limited

BALANCE SHEET at 31 December 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Tangible assets	7	180,479	153,466
Investments	8	1,189,077	1,189,077
		<u>1,369,556</u>	<u>1,342,543</u>
CURRENT ASSETS			
Debtors	9	6,638,754	6,316,290
Cash at bank and in hand		150,462	435,896
		<u>6,789,216</u>	<u>6,752,186</u>
CREDITORS amounts falling due within one year	10	<u>(1,943,502)</u>	<u>(1,795,938)</u>
NET CURRENT ASSETS		<u>4,845,714</u>	<u>4,956,248</u>
		<u>6,215,270</u>	<u>6,298,791</u>
CAPITAL AND RESERVES			
Called up share capital	12	1,250,001	1,250,001
Profit and loss account	13	4,965,269	5,048,790
SHAREHOLDERS' FUNDS - equity interests		<u>6,215,270</u>	<u>6,298,791</u>

These financial statements were approved and authorised for issue by the board of directors on 30 September 2008 and were signed on its behalf by



N G Bannister
Chief Executive

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2007

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards and with the requirements of the Companies Act 1985

Group financial statements

The financial statements are for the company as an individual undertaking and not for the group. The company has taken advantage of the exemption under section 228 of the Companies Act 1985 not to prepare group financial statements

Cash flow statement

Under Financial Reporting Standard 1 (revised 1996) which the company has adopted in these financial statements, the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

Related parties

Advantage has been taken of the exemption available under Financial Reporting Standard 8 not to disclose details of transactions with Aztec Opco Developments Limited or other group undertakings as the consolidated financial statements of the Aztec Opco Developments Limited group in which the company is included are publicly available

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, or each asset over its useful life, as follows

Plant and equipment	-	evenly over five years
Rental Equipment	-	over the period of the rental agreement

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax

Deferred tax 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 a right to pay less or to receive more, tax, with the following exceptions

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets only to the extent that at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold
- 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 an undiscounted 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

Cirrus Careline Limited

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2007

1 ACCOUNTING POLICIES (continued)

Operating leases

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease

Pensions

The group operates a defined contribution pension scheme for its employees to which the company makes a contribution under specified circumstances. The scheme is administered on behalf of employees by an independent insurance company in funds separate from the group's finances. The amount charged against profits represents the contributions payable by the company in to the scheme in respect of the period

2 TURNOVER

Turnover represents amounts derived from the provision of monitoring services which falls within the company's ordinary activities, stated net of value added tax, and is attributable to continuing operations generated in the UK

Developments that are owned by other group companies are deemed to be related parties within the meaning of FRS8. Turnover derived from these developments amounted to £1,659,440 in the year ended 31 December 2007 (2006 £1,624,353)

3 OPERATING PROFIT

This is stated after charging	2007	2006
	£	£
Depreciation of tangible fixed assets	47,538	34,404
	=====	=====

The auditors are remunerated by a fellow subsidiary undertaking, Peverel Limited. The total audit fee for the UK group, of which Cirrus Careline Limited is a member, amounted to £82,500 (2006 £98,500)

The directors were paid by a fellow subsidiary undertaking, Peverel Limited, of which they are also directors. The directors' remuneration for UK group amounted to £3,662,100 (2006 £491,546). The directors are unable to quantify the allocation of these amounts between individual companies within the group.

Cirrus Careline Limited

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2007

4. STAFF COSTS

	2007 £	2006 £
Wages and salaries	914,995	752,950
Social security costs	97,950	67,889
Other pension costs	12,933	8,695
	<u>1,025,878</u>	<u>829,534</u>

The average monthly number of employees during the period, including directors, was as follows

	2007 No	2006 No
Office and management	<u>54</u>	<u>43</u>

5. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2007 £	2006 £
<i>Current tax</i>		
UK corporation tax - current year	-	794,585
Group relief	852,315	-
Adjustments in respect of prior periods' group interest	(14,863)	-
Total current tax	<u>837,452</u>	<u>794,585</u>
<i>Deferred taxation</i>		
Origination and reversal of timing differences	<u>7,297</u>	<u>9,506</u>
Deferred tax	<u>7,297</u>	<u>9,506</u>
Tax on profit on ordinary activities	<u>844,749</u>	<u>804,091</u>

Cirrus Careline Limited

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2007

5. TAXATION ON PROFIT ON ORDINARY ACTIVITIES (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit of on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30%. The differences are reconciled below

	2007 £	2006 £
Profit on ordinary activities before tax	2,761,227	2,678,386
Profit on ordinary activities multiplied by the standard rate of Corporation tax in the UK of 30% (2006 30%)	828,368	803,516
<i>Effects of</i>		
Expenses not deductible for tax purposes	7,668	575
Accelerated capital allowances	(8,173)	(9,506)
Group interest adjustment for prior period	(14,863)	-
Group interest adjustments	22,679	-
Effect on variable rate on deferred tax	897	-
Other timing differences	876	-
Total current tax	837,452	794,585

6. DIVIDENDS

	2007 £	2006 £
Ordinary - paid	2,000,000	-

Cirrus Careline Limited

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2007

7 TANGIBLE FIXED ASSETS

	<i>Plant and Equipment £</i>
Cost	
At 1 January 2007	1,478,975
Additions	74,551
At 31 December 2007	1,553,526
Depreciation	
At 1 January 2007	1,325,509
Provided during the year	47,538
At 31 December 2007	1,373,047
Net book value at 31 December 2007	180,479
Net book value at 31 December 2006	153,466

8 FIXED ASSET INVESTMENTS

	<i>Shares in group undertakings £</i>
<i>Cost or valuation</i>	
At 1 January and 31 December 2007	1,189,077

Details of the investments in which the company holds more than 20% of the nominal value of any class of share capital are as follows

Cirrus Communication Systems Limited

Registered in England and Wales No 01444995 – 100% of the issued share capital held The company's principle activity during the year was that of supplying maintenance and installation services

Peveler Cirrus Limited

Registered in England and Wales No 4174104 – 100% of the issued share capital held The company was dormant during the year

Cirrus Careline Limited

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2007

9 DEBTORS

	2007	2006
	£	£
Trade debtors	28,701	8,569
Amounts due from parent undertaking	6,556,999	6,284,394
Corporation Tax	8,085	-
Deferred tax	12,557	19,854
Prepayments and accrued income	32,412	3,473
	<u>6,638,754</u>	<u>6,316,290</u>

The amount due from related parties as at 31 December 2007 was £5,195 (2006 £1,129) All are due within one year

10 CREDITORS amounts falling due within one year

	2007	2006
	£	£
Trade creditors	2,593	4,585
Group relief	852,315	-
Corporation tax	-	323,615
Other taxes and social security costs	21,831	15,560
Amounts due to subsidiary undertaking	308,752	833,579
Accruals and deferred income	758,011	618,599
	<u>1,943,502</u>	<u>1,795,938</u>

11 DEFERRED TAXATION

The deferred tax included in the balance sheet is as follows

	2007	2006
	£	£
Decelerated capital allowances	(11,681)	(19,854)
Short term timing differences	(876)	-
Deferred tax asset - (note 9)	<u>(12 557)</u>	<u>(19 854)</u>

The movements in deferred taxation during the current and previous years are as follows

	2007	2006
	£	£
At 1 January	(19 854)	(29 360)
Provided during the year	<u>7 297</u>	<u>9 506</u>

Cirrus Careline Limited

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2007

At 31 December	(12,557)	(19,854)
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12. SHARE CAPITAL

		<i>Authorised</i>	<i>Allotted, called up and fully paid</i>
	<i>2007</i>	<i>2006</i>	<i>2007</i>
	<i>No</i>	<i>No</i>	<i>£</i>
			<i>£</i>
Ordinary shares of £1 each	1,250,001	1,250,001	1,250,001

13 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total share- holders' funds</i>
	<i>£</i>	<i>£</i>	<i>£</i>
At 1 January 2006	1,250,001	3,174,495	4,424,496
Profit for the year	-	1,874,295	1,874,295
At 31 December 2006	1,250,001	5,048,790	6,298,791
Profit for the year	-	1,916,478	1,916,478
Dividend	-	(2,000,000)	(2,000,000)
At 31 December 2007	1,250,001	4,965,268	6,215,269

The cumulative amount of goodwill written off to the profit and loss account reserve at 31 December 2007 is £2,390,438 (2006 £2,390,438)

14 CONTINGENT LIABILITIES

The company has given no unlimited guarantees on the bank overdrafts and loans of various UK group undertakings (2006 £16,681,881)

15 RELATED PARTY TRANSACTIONS

This company is a subsidiary of Euro Investments Overseas Inc, a company incorporated in the British Virgin Islands

Peverel Property Ownership Limited a company incorporated in England and Wales, is regarded as a related party due to it having a common ultimate parent undertaking and part common Directors

It is group policy to make available any current year losses arising in group companies (where not offset against taxable profits within that company) to other group companies for offset against any taxable profits arising with a view to minimising the group's overall effective tax rate

During the year, none of the Board members members of the key management staff or other related parties has undertaken any material transactions with Peverel Property Ownership Limited or its subsidiaries

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2007

16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's ultimate parent undertaking changed in the year to Euro Investments Overseas Inc, a company incorporated in the British Virgin Islands and the ultimate controlling party changed to The Tchenguiz Family Trust. Peverel Group Limited is the largest and smallest group for which group financial statements are prepared and are available to the public and may be obtained from Companies House, Cardiff