

**Tunstall Group Holdings Limited**  
**(formerly De Facto 1256 Limited)**

**Directors' report and consolidated  
financial statements**

Registered number 05459713

For the period ended 30 September 2005



## **Contents**

Directors' Report	1
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	3
Independent auditors' report to the members of Tunstall Group Holdings Limited (formerly De Facto 1256 Limited)	4
Consolidated profit and loss account	6
Consolidated balance sheet	7
Company balance sheet	8
Consolidated statement of total recognised gains and losses	9
Reconciliation of movements in shareholders' funds	9
Consolidated cash flow statement	10
Notes	13

## Directors' Report

The directors present their report and the audited financial statements for the period ended 30 September 2005.

### Principal activities

The company was incorporated on 23 May 2005 and changed its name from De Facto 1256 Limited on 8 June 2005.

On 14 September 2005 the accounting reference date was changed to 30 September 2005.

The company acts as a holding company and the principal activities of its subsidiary undertakings are the manufacture, marketing, installation, servicing and monitoring of community alarms.

### Business review, results and dividends

The results for the period ending 30 September 2005 are set out on page 6 and represent the results of the acquired entities from the dates of acquisition detailed below. The group recorded a loss before tax of £2,048,000. No dividends have been paid and none are proposed, leaving a loss of £2,480,000 to be transferred to reserves. The directors consider the result to be satisfactory.

On 14 September 2005, a wholly owned subsidiary of the company, Tunstall Group Acquisition Limited, acquired the entire issued share capital of Tunstall Holdings Limited.

On 15 September 2005, a wholly owned subsidiary of the company, Attendo Systems Group Holdings AB acquired the entire issued share capital of Attendo Systems Group AB, a company which owns the community alarms and systems businesses previously within the Attendo group.

### Directors and directors' interests

The directors who held office during the year and subsequently were as follows:

Travers Smith Limited	(appointed 23 May 2005, resigned 9 June 2005)
Travers Smith Secretaries Limited	(appointed 23 May 2005, resigned 9 June 2005)
N Duffy	(appointed 9 June 2005)
JP Buckley	(appointed 9 June 2005)
L Lappenkuper	(appointed 9 June 2005)
S Sadler	(appointed 9 June 2005)
M Davy	(appointed 15 September 2005)

The following directors held a beneficial interest in the share capital and debt of the company at 30 September 2005:

	Unsecured subordinated loan notes £000	2005 "B" Ordinary shares Number	10p preference shares Number
JP Buckley	173	31,059	141,901
L Lappenkuper	101	10,353	83,246
S Sadler	110	26,353	90,991
N Duffy	110	26,353	90,991

### Non-executive directors' interests

At the period end, M Davy did not have any interest in the shares of the company held by Bridgepoint Capital (Nominees) Limited.

## **Directors' Report** *(continued)*

### **Payments to suppliers**

The group agrees payment terms and conditions with its suppliers according to local laws and generally accepted trading practices within its business and geographical region. It is the company's normal practice to pay suppliers in accordance with these terms provided that the suppliers meet their obligations.

Trade creditors represented 69 days purchases.

### **Employees**

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicants concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

### **Employee consultation**

The group places considerable value on the involvement of its employees and has continued its previous practice of ensuring effective two-way communication on matters affecting them as employees and on the various factors affecting the performance of the group. This is achieved through formal meetings and the company intranet. Employees are consulted monthly on a wide range of matters affecting their current and future interests.

### **Political and charitable contributions**

During the period, the group contributed £Nil to charity. No political contributions were made.

### **Auditors**

During the period KPMG LLP were appointed to fill the casual vacancy arising.

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



**N Duffy**  
*Company Secretary*

Whitley Lodge  
Whitley Bridge  
Doncaster  
DN14 0HR

22 March 2006

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing the Directors' 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 group and parent company financial statements in accordance with UK Accounting Standards.

The group and parent company financial statements are required by law to give a true and fair view of the state of affairs of the group and the parent company and of the profit or loss 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 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 group and the parent 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 parent company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



KPMG LLP  
2 Cornwall Street  
Birmingham  
B3 2DL  
United Kingdom

## **Independent auditors' report to the members of Tunstall Group Holdings Limited (formerly De Facto 1256 Limited)**

We have audited the group and parent company financial statements (the "financial statements") of Tunstall Group Holdings Limited (formerly DeFacto 1256 Limited) for the period ended 30 September 2005 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group Cash Flow Statement, the Group Statement of Total Recognised Gains and Losses 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 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.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

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 and whether the information given in the Directors' Report is consistent with the 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 implication 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 Tunstall Group Holdings Limited  
(formerly De Facto 1256 Limited) *(continued)***

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 30 September 2005 and of the group's loss for the four month period from the date of incorporation on 23 May 2005 to 30 September 2005;
- 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.



**KPMG LLP**  
*Chartered Accountants*  
*Registered Auditor*

22 March 2006

**Consolidated profit and loss account**  
*for the 4 month period ended 30 September 2005*

	<i>Note</i>	<b>2005 £000</b>
<b>Turnover</b>	<b>2</b>	<b>5,537</b>
Operating profit before amortisation of goodwill		<b>698</b>
Amortisation of goodwill		<b>(507)</b>
<b>Operating profit</b>	<b>4</b>	<b>191</b>
Share of operating profits of associates		-
<b>Profit on ordinary activities before interest</b>		<b>191</b>
Bank interest receivable		<b>39</b>
Interest payable	<b>7</b>	<b>(2,278)</b>
<b>Loss on ordinary activities before taxation</b>		<b>(2,048)</b>
Tax on loss on ordinary activities	<b>8</b>	<b>(432)</b>
<b>Retained loss for the period</b>	<b>21</b>	<b>(2,480)</b>

All of the turnover and results for the period are attributable to acquisitions.



**Consolidated balance sheet**  
*at 30 September 2005*

	<i>Note</i>	<b>2005</b>	<b>£000</b>
<b>Fixed assets</b>			
Intangible assets	9	263,173	
Tangible assets	10	12,062	
Investment in associates	11	314	
			<hr/>
			275,549
<b>Current assets</b>			
Stocks	12	10,747	
Debtors	13	27,308	
Cash at bank and in hand		24,952	
			<hr/>
			63,007
<b>Creditors: amounts falling due within one year</b>	14	(43,390)	
			<hr/>
<b>Net current assets</b>			19,617
			<hr/>
<b>Total assets less current liabilities</b>			295,166
<b>Creditors: amounts falling due after more than one year</b>	15	(294,200)	
<b>Provisions for liabilities and charges</b>	18	(314)	
			<hr/>
<b>Net assets before net pension liabilities</b>			652
Net pension liabilities	23	(2,133)	
			<hr/>
<b>Net liabilities</b>			(1,481)
			<hr/>
<b>Capital and reserves</b>			
Called up share capital	20	902	
Share premium account	21	43	
Profit and loss account	21	(2,426)	
			<hr/>
<b>Equity shareholders' deficit</b>			(1,481)
			<hr/>

These financial statements were approved by the board of directors on 22 March 2006 and were signed on its behalf by:

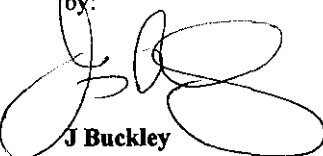
  
**J Buckley**  
Director


  
**N Duffy**  
Director

**Company balance sheet**  
**at 30 September 2005**

	<i>Note</i>	<b>2005</b>	
		<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>			
Investments	11		54,799
<b>Current assets</b>			
Debtors	13	13,386	
<b>Creditors:</b> Amounts falling due within one year	14	(179)	
<b>Net current assets</b>			13,207
<b>Total assets less current liabilities</b>			68,006
<b>Creditors:</b> Amounts falling due after one than one year	15		(60,055)
<b>Net assets</b>			7,951
<b>Capital and reserves</b>			
Called up share capital	20		902
Share premium account	21		43
Profit and loss account	21		7,006
<b>Equity shareholders' funds</b>			7,951

These financial statements were approved by the board of directors on 22 March 2006 and were signed on its behalf by:

  
**J Buckley**  
 Director

  
**N Duffy**  
 Director

**Consolidated statement of total recognised gains and losses**  
*for the 4 month period ended 30 September 2005*

	2005 £000
Loss for the financial period	(2,480)
Exchange differences on the retranslation of net investments and related borrowings	54
Total recognised gains and losses relating to the financial period	<u>(2,426)</u>

**Reconciliation of movements in equity shareholders' funds**  
*for the 4 month period ended 30 September 2005*

	Group 2005 £000	Company 2005 £000
(Loss)/profit for the financial period	(2,480)	7,006
Other recognised gains and losses relating to the period (net)	54	-
New share capital subscribed (net of issue costs)	945	945
Net (reduction in)/addition to shareholder's funds	<u>(1,481)</u>	<u>7,951</u>
Opening equity shareholders' funds	-	-
Closing equity shareholders' (deficit)/funds	<u>(1,481)</u>	<u>7,951</u>

**Consolidated cash flow statement**  
*for the 4 month period ended 30 September 2005*

	<i>Note</i>	<b>2005 £000</b>
<b>Net cash outflow from operating activities</b>	<i>(iii)</i>	<b>(120,900)</b>
<b>Dividends received from associated undertakings</b>		<b>-</b>
<b>Returns on investments and servicing of finance</b>	<i>(iv)</i>	<b>(9,915)</b>
<b>Taxation</b>		<b>(432)</b>
<b>Capital expenditure</b>		<b>-</b>
<b>Acquisitions</b>	<i>(v)</i>	<b>(152,227)</b>
<b>Net cash outflow before financing</b>		<b>(283,474)</b>
<b>Financing</b>	<i>(vi)</i>	<b>308,092</b>
<b>Net cash inflow</b>		<b>24,618</b>

**Notes to the consolidated cash flow statement**  
*for the 4 month period ended 30 September 2005*

**(i) Reconciliation of net cash flow to movement in net debt**

	2005 £000
<b>Increase in cash</b>	<b>24,618</b>
Cash flow from increase in debt	(307,147)
<b>Movement in net debt resulting from cash flows</b>	<b>(282,529)</b>
Loan note and other interest added to principal	(768)
Amortisation of issue costs	-
New hire purchase contracts	-
New debt issue costs	9,715
Exchange adjustments	(1,036)
<b>Movement in net debt</b>	<b>(274,618)</b>
Opening net debt	-
<b>Closing net debt</b>	<b>(274,618)</b>

**(ii) Analysis of changes in net debt**

	Acquisitions	Cash flow	Other non-cash movements	Exchange adjustments	At 30 September 2005
	£000	£000	£000	£'000	£000
Cash at bank and in hand	2,247	22,649	-	56	24,952
Debt due within one year	(182)	(7,552)	2,193	-	(5,541)
Debt due after more than one year	-	(299,595)	6,754	(1,092)	(293,933)
Hire purchase contracts due within one year	(96)	-	-	-	(96)
	(278)	(307,147)	8,947	(1,092)	(299,570)
<b>Net debt</b>	<b>1,969</b>	<b>(284,498)</b>	<b>8,947</b>	<b>(1,036)</b>	<b>(274,618)</b>

## Notes to the consolidated cash flow statement *(continued)*

### (iii) Reconciliation of operating profit to net cash outflow from operating activities

	2005 £000
Operating profit	191
Depreciation charges	419
Amortisation of goodwill	507
Increase in stocks	(33)
Decrease in debtors	26,667
Decrease in creditors	(148,651)
<b>Net cash outflow from operating activities</b>	<b>(120,900)</b>

All cash flows from operating activities were derived from acquisitions.

### (iv) Returns on investments and servicing of finance

	2005 £000
Interest received	39
Interest paid	(239)
Debt issue costs paid	(9,715)
	<b>(9,915)</b>

### (v) Acquisitions

	2005 £000
Purchase of subsidiary undertaking	(154,196)
Cash acquired with subsidiary undertaking	2,247
Overdraft acquired with subsidiary undertaking	(182)
Hire purchase contracts acquired with subsidiary undertakings	(96)
	<b>(152,227)</b>

### (vi) Financing

	2005 £000
Issue of ordinary share capital	945
Issue of preference share capital	60,055
Issue of unsecured loan notes	78,340
New bank borrowings	168,752
	<b>308,092</b>

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

The following accounting policies have been applied in dealing with items which are considered material in relation to the company's financial statements.

#### ***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

#### ***Going concern***

The directors acknowledge that at 30 September 2005 the group had net liabilities of £1,481,000. This was after classifying, in accordance with UK GAAP, preference shares of £60,055,000 and unsecured subordinated shareholder loan notes of £78,340,000 as borrowings.

In light of the recent formation of the group and acquisition of its targets and having considered the cash flow forecasts of the group, the directors are of the opinion that the group will have sufficient funds to meet its liabilities as they fall due for payment for at least 12 months from the date of these financial statements. Accordingly, the directors have prepared these financial statements on a going concern basis.

#### ***Basis of consolidation***

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 30 September 2005, under the acquisition method of accounting. Under this method, the results of the subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

An associate is an undertaking in which the group has a long term interest, usually from 20% to 50% of the equity voting rights, and over which it exercises significant influence. The group's share of the profits less losses of associates is included in the consolidated profit and loss account and its interest in their net assets is included in investments in the consolidated balance sheet.

Under Section 230(4) of the Companies Act 1985, the company is exempt from the requirement to present its own profit and loss account. The result of the company is disclosed in note 21.

#### ***Goodwill***

Purchased goodwill arising on business combinations in respect of acquisitions before 1 October 1998, when FRS 10 *Goodwill and intangible assets* was adopted, was written off to reserves in the year of acquisition. When a subsequent disposal occurs any related goodwill previously written off to reserves is written back through the profit and loss account as part of the profit or loss on disposal.

Purchased goodwill arising on business combinations in respect of acquisitions since 1 October 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life, deemed to be 20 years.

Negative goodwill in respect of acquisitions since 1 October 1998 is included within fixed assets and released to the profit and loss account in the periods in which the fair values of the non-monetary assets purchased on the same acquisition are recovered, whether through depreciation or sale.

#### ***Investments in subsidiary and associate undertakings***

Investments in subsidiary and associated undertakings are stated at cost in the company balance sheet. Investments in associated undertakings are stated at the group's share of the net assets of each associate in the consolidated balance sheet.

## **Notes** *(continued)*

### **1 Accounting policies** *(continued)*

#### ***Other intangible assets***

Other intangible assets comprising purchased intellectual property rights are capitalised and amortised in line with expected revenue from the sale of the products to which the rights relate. Provision is made for any impairment.

#### ***Fixed assets and depreciation***

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold property	-	2% straight line
Plant, fixtures and vehicles	-	10% - 33% straight line

No depreciation is provided on freehold land.

#### ***Leases***

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

#### ***Stocks***

Stocks are stated at the lower of cost and net realisable value on a first in, first out basis. Work in progress and finished goods include an appropriate proportion of attributable labour and overheads.

#### ***Installation contracts***

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at the cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen.

Contract work in progress is stated at costs incurred, less those transferred to the profit and loss account, after deducting foreseeable losses and payments on account not matched with turnover.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

Payments received on account in excess of work done and work in progress are included within creditors.

#### ***Cash***

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

#### ***Foreign currencies***

Trading results of overseas subsidiaries and associated undertakings are translated using average exchange rates ruling during the financial year. The balance sheets of overseas undertakings are translated using the rate of exchange ruling at the balance sheet date. Exchange differences arising from these translations are taken to reserves, net of exchange differences on related foreign currency borrowings.

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.



## Notes (continued)

### 1 Accounting policies (continued)

#### **Borrowings**

Borrowings are initially stated at the fair value of the consideration received after deduction of issue costs. Issue costs, together with finance costs, are charged to the profit and loss account over the expected term of the borrowings.

#### **Classification of financial instruments issued by the Group**

Following the adoption of FRS 25, financial instruments issued by the Group are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company (or Group as the case may be) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company (or Group); and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

#### **Government grants**

Capital based government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the estimated useful economic lives of the assets to which they relate.

#### **Turnover**

Turnover is stated net of value added tax, trade discounts and returns. Installation income represents the value of work done on contracts within the year. Maintenance and monitoring income is recognised on a straight line basis over the contract life. Rental income is recognised on a straight line basis over the period of the lease. All other sales are recognised on despatch or on the transfer of legal title.

#### **Pension costs**

The company participates in the Tunstall Group Ltd Pension Scheme, which is a funded pension scheme for UK employees providing benefits based on final pensionable pay. The Scheme is now closed to new entrants. The assets of the scheme are held separately from those of the group.

Regular valuations are prepared by independent professionally qualified actuaries. These determine the level of contributions required to fund the benefits set out in the rules of the scheme and allow for the periodic increase on pensions in payment.

Following the full adoption of FRS 17 the regular service cost of providing retirement benefits to employees during the year, together with the cost of benefits relating to past service is charged to operating profit in the year.

A credit representing the expected return on the assets of the scheme and a charge representing the increase in the liabilities of the scheme during the year give the net return on the pension scheme and is included as a finance charge or credit within interest.

Differences between actual and expected return on assets during the year are reflected in the statement of total recognised gains and losses in the year together with differences arising from changes in assumptions.

In addition, a stakeholder scheme is in operation in the UK and various defined contribution schemes are in operation in other countries.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Pension costs (continued)*

The assets of these schemes are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

#### *Research and development expenditure*

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

#### *Taxation*

The charge for taxation is based on the loss 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 is recognised, without discounting, in respect of all timing differences, except as otherwise required by FRS 19.

### 2 Segmental information

	Turnover	Profit before interest and tax	Net assets/ (liabilities)
	2005	2005	2005
	£000	£000	£000
<i>Analysis by country of origin</i>			
UK	2,963	518	56,199
Sweden	684	293	(27,218)
Germany	681	(251)	(19,031)
Other European countries	1,080	68	871
Rest of the world	129	70	128
	<hr/> 5,537	<hr/> 698	<hr/> 10,949
Amortisation of goodwill	-	(507)	-
	<hr/> 5,537	<hr/> 191	<hr/> 10,949
Share of net assets of associated undertaking			314
Goodwill			263,173
Net interest bearing liabilities			(275,917)
			<hr/> (1,481)
			<hr/>
			2005
			£000
<i>Analysis of turnover by country of destination:</i>			
United Kingdom			2,798
Germany			680
Sweden			633
Other European countries			1,081
Rest of the world			345
			<hr/> 5,537
			<hr/>

The directors consider there is only one class of business.

**Notes** *(continued)*

**3 Costs and overheads**

	2005 £000
Movement in stocks	(33)
Raw materials and consumables	2,646
Other external charges	461
Staff costs	1,346
Depreciation and amortisation	926
	<hr/> 5,346 <hr/>

**4 Loss on ordinary activities before taxation**

	2005 £000
<i>Loss on ordinary activities before taxation is stated</i>	
<i>after charging /(crediting)</i>	
Auditors' remuneration:	
Audit services	18
Other services	-
Research and development costs	114
Operating lease rentals:	
Land and buildings	5
Other	54
	<hr/> 54 <hr/>

The audit fees attributable to the parent company were £10,000.

**Notes (continued)**

**5 Remuneration of directors**

	2005 £000
Directors' emoluments	25
Pension contributions	2
	<hr/> 27 <hr/>
Highest paid director	
Emoluments	8
Accrued pension	-
	<hr/> 8 <hr/>

Three directors accrued benefits under the group's defined benefit pension scheme in respect of qualifying services during the period.

**6 Staff numbers and costs**

The average number of persons employed by the group (including directors) during the period, analysed by category, was as follows:

	Number of employees 2005
Production and distribution	496
Sales and administration	419
Research and development	41
	<hr/> 956 <hr/>

The aggregate payroll costs of these persons were as follows:

	£000
Wages and salaries	1,149
Social security costs	129
Other pension costs	68
	<hr/> 1,346 <hr/>

**7 Interest payable and similar charges**

	2005 £000
On bank loans and overdrafts	508
On all other loans	499
Net exchange losses	1,092
Preference share dividend	179
	<hr/> 2,278 <hr/>

## Notes (continued)

### 8 Taxation

#### *Analysis of charge in period*

	2005 £000
Current tax on income for the period	580
Adjustments in respect of prior periods	-
	<hr/>
Current tax charge	580
Share of current taxation of overseas associated undertakings	-
	<hr/>
Total current tax charge	580
<i>Deferred tax (note 18)</i>	
Origination and reversal of timing differences	(144)
Adjustments in respect of prior periods	(4)
	<hr/>
Tax on profit on ordinary activities	432
	<hr/>

#### *Factors affecting the tax charge for the period*

The current tax charge for the period is higher than the standard rate of corporation tax in the UK of 30%. The differences are explained below.

	2005 £000
<i>Current tax reconciliation</i>	
Loss on ordinary activities before tax	(2,048)
	<hr/>
Current tax at 30%	(614)
<i>Effects of:</i>	
Income not chargeable for tax purposes	(2,498)
Increase in UK tax losses carried forward	1,393
Increase in overseas tax losses carried forward	78
Excess depreciation over capital allowances	145
Overseas tax – rate differences	145
Goodwill amortisation not deductible for tax purposes	1,683
UK adjustments in respect of prior periods	248
	<hr/>
Total current tax charge (see above)	580
	<hr/>

#### *Factors affecting future tax charges*

The tax charge in future periods will be affected by the group's ability to utilise its deferred tax asset as set out in note 18.

**Notes** (continued)

**9 Intangible fixed assets**

**Group**

	<b>Goodwill £000</b>
<i><b>Cost</b></i>	
At beginning of period	-
On acquisition of Tunstall Holdings Limited (note 19)	214,334
On acquisition of Attendo Systems Group AB (note 19)	49,346
	<hr/>
At end of period	263,680
	<hr/>
<i><b>Amortisation</b></i>	
At beginning of period	-
Charged in period	507
	<hr/>
At end of period	507
	<hr/>
<i><b>Net book value</b></i>	
<b>At 30 September 2005</b>	<b>263,173</b>
	<hr/>

The directors consider each acquisition separately for the purpose of determining the amortisation period of any goodwill that arises. The goodwill is being amortised over a period of twenty years, being the directors' best estimate of its useful economic life.

**10 Tangible fixed assets**

	<b>Freehold property £000</b>	<b>Plant, fixtures and vehicles £000</b>	<b>Total £000</b>
<i><b>Cost</b></i>			
At beginning of period	-	-	-
Acquisitions	4,811	7,670	12,481
	<hr/>	<hr/>	<hr/>
At end of period	4,811	7,670	12,481
	<hr/>	<hr/>	<hr/>
<i><b>Depreciation</b></i>			
At beginning of period	-	-	-
Charge for period	6	413	419
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At end of period	6	413	419
	<hr/>	<hr/>	<hr/>
<i><b>Net book value</b></i>			
<b>At 30 September 2005</b>	<b>4,805</b>	<b>7,257</b>	<b>12,062</b>
	<hr/>	<hr/>	<hr/>

Included within plant, fixtures and vehicles are assets held under finance leases with a net book value of £104,000. The depreciation charge for the period on these assets was £6,000.

## Notes (continued)

### 11 Investments

	<b>Company 2005 £000</b>
<i>Subsidiary undertakings:</i>	
Beginning of period	-
Tunstall Group Finance Limited	54,799
	<hr/>
<b>At end of period</b>	<b>54,799</b>
	<hr/>
<i>Associated undertakings:</i>	
	<b>Group Share of net assets 2005 £000</b>
At beginning of period	-
Acquisitions	314
	<hr/>
<b>At end of period</b>	<b>314</b>
	<hr/>

Details of the investments in subsidiary and associated undertakings are shown on pages 35 and 36.

### 12 Stocks

	<b>2005 £000</b>
Group	
Raw materials	2,019
Work in progress	2,195
Contract work in progress	1,215
Finished goods	5,318
	<hr/>
	<b>10,747</b>
	<hr/>

**Notes (continued)**

**13 Debtors**

	<b>Group 2005 £000</b>	<b>Company 2005 £000</b>
Trade debtors	16,353	-
Amounts recoverable on contracts	1,429	-
Amounts owed by associated undertakings	235	-
Amounts owed by subsidiary undertakings	-	13,386
Corporation tax recoverable	78	-
Other debtors	4,568	-
Prepayments	3,335	-
Deferred tax (note 18)	1,310	-
	<u>27,308</u>	<u>13,386</u>

The deferred tax asset of £1,310,000 is recoverable after more than one year.

The amounts owed by subsidiary undertakings are repayable on demand and bear interest at a rate which reflects the cost of borrowings to the group.

**14 Creditors: amounts falling due within one year**

	<b>Group 2005 £000</b>	<b>Company 2005 £000</b>
Obligations under finance leases and hire purchase contracts (note 16)	96	-
Other borrowings (note 17)		
Bank loans and shareholders' loan notes	5,541	-
Trade creditors	7,757	-
Corporation tax	2,796	-
Other taxes and social security	3,108	-
Accruals and deferred income	21,507	-
Deferred consideration	226	-
Other creditors	2,180	-
Preference share dividends payable	179	179
	<u>43,390</u>	<u>179</u>

**15 Creditors: amounts falling due after more than one year**

	<b>Group 2005 £000</b>	<b>Company 2005 £000</b>
Deferred consideration	267	-
Other borrowings (note 17)		
Bank loans	156,804	-
Shareholders' loan notes	77,074	-
Preference shares	60,055	60,055
	<u>294,200</u>	<u>60,055</u>



**Notes** (continued)

**16 Obligations under hire purchase agreements**

**Group**

**2005**  
**£000**

Amount payable within one year	96
--------------------------------	----

These borrowings are secured on the assets to which they relate.

**17 Other borrowings**

	Bank loans	Unsecured subordinated loan notes	Preference share capital	Total
	£000	£000	£000	£000
Repayment terms				
Wholly within five years – not by instalments	7,734	-	-	7,734
Not wholly within five years – by instalments	162,292	78,340	-	240,632
Not wholly within five years – not by instalments	-	-	60,055	60,055
Interest accrued	269	499	-	768
Unamortised issue costs	(7,509)	(2,206)	-	(9,715)
	<u>162,786</u>	<u>76,633</u>	<u>60,055</u>	<u>299,474</u>
Maturity				
On demand or within one year	5,982	(441)	-	5,541
Between one and two years	1,353	(441)	-	912
Between two and five years	18,946	(1,324)	-	17,622
After five years	136,505	78,839	60,055	275,399
	<u>162,786</u>	<u>76,633</u>	<u>60,055</u>	<u>299,474</u>

During the period the group drew down £169,844,000 of bank loans and £78,340,000 in unsecured subordinated loan notes.

Part of the proceeds of this exercise were used to acquire the entire share capital of Tunstall Holdings Limited and Attendo Systems Group AB (note 19).

A further £20,000,000 was used to recapitalise Tunstall Holdings Limited, £50,908,000 to repay unsecured subordinated loans of the Tunstall Holdings Limited group and £70,763,000 to repay Tunstall Holdings Limited group bank borrowings.

£5,600,000 was made available as a contribution towards the deficit of the Tunstall Group Limited Pension Fund (note 23).

## Notes (continued)

### 17 Other borrowings (continued)

The terms of the bank loans are as follows:

#### Senior term loan A

(i) (£24.1 million)

Repayable in defined instalments up to 15 September 2012  
Bears interest at 2.25% per annum above LIBOR

(ii) (SEK 100 million)

Repayable in defined instalments up to 15 September 2012  
Bears interest at 2.25% per annum above STIBOR

(iii) (€25.1 million)

Repayable in defined instalments up to 15 September 2012  
Bears interest at 2.25% per annum above EURIBOR

#### Senior term loan B

(i) (£17.9 million)

Repayable in 2 equal instalments in March 2013 and September 2013  
Bears interest at 2.75% per annum above LIBOR

(ii) (SEK 74.2 million)

Repayable in 2 equal instalments in March 2013 and September 2013  
Bears interest at 2.75% per annum above STIBOR

(iii) (€18.6 million)

Repayable in 2 equal instalments in March 2013 and September 2013  
Bears interest at 2.75% per annum above EURIBOR

#### Senior term loan C

C(i) (£17.9 million)

Repayable in 2 equal instalments in March 2014 to September 2014  
Bears interest at 3.25% per annum above LIBOR

C(ii) (SEK 74.2 million)

Repayable in 2 equal instalments in March 2014 to September 2014  
Bears interest at 3.25% per annum above STIBOR

C(iii) (€18.6 million)

Repayable in 2 equal instalments in March 2014 to September 2014  
Bears interest at 3.25% per annum above EURIBOR

#### Senior term loan D

(i) (£5.75 million)

Repayable in full on 15 March 2015  
Bears interest at 5% per annum above LIBOR

(ii) (SEK 36.3 million)

Repayable in full on 15 March 2015  
Bears interest at 5% per annum above STIBOR

D(iii) (€13.6 million)

Repayable in full on 15 March 2015  
Bears interest at 5% per annum above EURIBOR

#### Mezzanine term loan

(i) (£14.95 million)

Repayable in full in September 2015  
Bears cash interest at 4.5% per annum above LIBOR and capitalising interest at 6% per annum

(ii) (SEK 49.6 million)

Repayable in full in September 2015  
Bears cash interest at 4.5% per annum above STIBOR and capitalising interest at 6% per annum

(iii) (€8.0 million)

Repayable in full in September 2015  
Bears cash interest at 4.5% per annum above EURIBOR and capitalising interest at 6% per annum

Shareholders' unsecured subordinated loan notes

Redeemable at par in September 2015. Bear interest at 15.5% per annum

#### Security

Senior and mezzanine term loans

Secured by a mortgage debenture incorporating a fixed and floating charge over the company and all its present and future subsidiaries together with an unlimited composite cross-guarantee structure

#### Hedging

Interest rate hedge

£80.6 million of the GBP denominated Senior and Mezzanine debt is covered by an interest rate swap at a fixed rate cap of 4.54% until 28 November 2008. SEK 334 million of the SEK denominated Senior and Mezzanine debt is covering an interest rate swap at a fixed rate cap of 2.56% until 28 November 2008.

**Notes** *(continued)*

**18 Provisions for liabilities and charges**

**Group**

	<b>Warranty provision £000</b>	<b>Deferred tax £000</b>
At beginning of period	-	-
Acquisitions	(314)	1,162
Credit to the profit and loss account in the period	-	148
	<hr/>	<hr/>
<b>At end of period</b>	<b>(314)</b>	<b>1,310</b>
	<hr/>	<hr/>

*Deferred tax*

The group has the following recognised and unrecognised deferred tax assets (at 30%):

	<b>Recognised 2005 £000</b>	<b>Unrecognised 2005 £000</b>
Excess book depreciation over tax allowances on fixed assets	1,011	6
UK trading losses	-	4,265
Other timing differences	299	221
	<hr/>	<hr/>
	<b>1,310</b>	<b>4,492</b>
	<hr/>	<hr/>

The utilisation of deferred tax assets relies on a number of factors including the future profitability of the UK and overseas companies. Where the recoverability of these amounts within the foreseeable future is uncertain the deferred tax asset shown above has not been recognised in these financial statements. Where current forecasts indicate that recoverability of these amounts will occur within the foreseeable future, the deferred tax asset has been recognised, as disclosed in note 13.

## Notes (continued)

### 19 Acquisitions

On 14 and 15 September 2005, the group acquired the entire issued share capital of Tunstall Holdings Limited and Atendo Systems Group AB respectively through its wholly owned subsidiary Tunstall Group Acquisition Limited. The resulting goodwill of £263,680,000 has been capitalised in accordance with FRS 10 and is being amortised over the directors' estimate of its useful economic life of 20 years. The provisional fair values are set out below.

	Book value	Accounting policy alignment	Other adjustments	Fair value
<i>Tunstall Holdings Limited</i>	£000	£000	£000	£000
<b>Fixed assets</b>				
Intangible	73,701	(73,701)	-	-
Tangible	8,664	-	-	8,664
Investments	433	-	(119)	314
<b>Current assets</b>				
Stock	8,968	-	(200)	8,768
Debtors	36,196	-	(200)	35,996
<b>Total assets</b>	<u>127,962</u>	<u>(73,701)</u>	<u>(519)</u>	<u>53,742</u>
<b>Liabilities</b>				
Creditors	(156,837)	-	(2,503)	(159,340)
Pension Scheme deficit	-	(7,733)	-	(7,733)
<b>Total liabilities</b>	<u>(156,837)</u>	<u>(7,733)</u>	<u>(2,503)</u>	<u>(167,073)</u>
<b>Net assets</b>	<u>(28,875)</u>	<u>(81,434)</u>	<u>(3,022)</u>	<u>(113,331)</u>
<b>Goodwill</b>				<u>214,334</u>
<b>Fair value of consideration payable</b>				<u>101,003</u>
<b>Satisfied by:</b>				
Cash consideration for the entire share capital of Tunstall Holdings Limited				97,647
Costs associated with the acquisition of Tunstall Holdings Limited				3,356
				<u>101,003</u>

## Notes (continued)

### 19 Acquisitions (continued)

The adjustments above are made in respect of the pre-existing investments in subsidiaries, and associated goodwill, that Tunstall Holdings Limited held and which were also acquired on 14 September 2005 and recognition of FRS 17 pensions deficit as disclosed in note 23. They are also made to recognise the fair values of investments in associated undertakings, make provision for slow moving and obsolete stock and doubtful debts and remove the value of pre-existing unamortised debt issue costs held.

The Tunstall Holdings group generated a loss after tax of £2,719,000 during the year ended 30 September 2004. The summarised consolidated profit and loss account of the Tunstall Holdings group for the period from 1 October 2004 to the effective date of acquisition is as follows:

	£000
<b>Turnover</b>	<b>69,882</b>
Operating profit, including exceptional administration expenses of £892,000	<b>6,845</b>
Net interest payable	<b>(13,110)</b>
<b>Loss on ordinary activities before taxation</b>	<b>(6,265)</b>
Tax on loss on ordinary activities	<b>(1,098)</b>
<b>Loss on ordinary activities after taxation, being retained loss for the period</b>	<b>(7,363)</b>

The exceptional administration expenses of £892,000 represent professional and legal fees incurred in relation to the sale of the entire share capital to Tunstall Group Acquisition Limited.

## Notes (continued)

### 19 Acquisitions (continued)

	Book value	Accounting policy alignment	Other adjustments	Fair value
<i>Attendo Systems Group AB</i>	£000	£000	£000	£000
<b>Fixed assets</b>				
Intangible	9,043	(9,043)	-	-
Tangible	3,916	-	(97)	3,819
<b>Current assets</b>				
Stocks	2,977	(131)	(900)	1,946
Debtors	19,103	(49)	(1,075)	17,979
Cash	2,534	-	-	2,534
<b>Total assets</b>	<u>37,573</u>	<u>(9,223)</u>	<u>(2,072)</u>	<u>26,278</u>
<b>Liabilities</b>				
Creditors	(22,030)	(47)	(354)	(22,431)
<b>Total liabilities</b>	<u>(22,030)</u>	<u>(47)</u>	<u>(354)</u>	<u>(22,431)</u>
<b>Net assets</b>	<u>15,543</u>	<u>(9,270)</u>	<u>(2,426)</u>	<u>3,847</u>
<b>Goodwill</b>				<u>49,346</u>
<b>Fair value of consideration payable</b>				<u>53,193</u>
<b>Satisfied by:</b>				
Cash consideration for the entire share capital of Attendo Systems Group AB				51,371
Costs associated with the acquisition of Attendo Systems Group AB				1,822
				<u>53,193</u>

The Attendo Systems Group AB was formerly part of the Attendo Care Group whose year end is 31 December. The Attendo Systems Group was created through a reorganisation of the Attendo Care group which transferred the systems and response operations into a separate sub-group.

Consequently, it is not possible to determine the results for the year ended 31 December 2004 or the period ended 30 September 2005.

<b>Cash outflow in respect of acquisitions</b>	£000
Cash consideration for the acquisition of Tunstall Holdings Limited	101,003
Cash consideration for the acquisition of Attendo Systems Groups AB	53,193
Acquisition costs accrued at 30 September 2005	(4,710)
	<u>149,486</u>

**Notes** *(continued)*

**20 Called up share capital**

	<b>2004</b>
	<b>£000</b>
<i>Authorised</i>	
800,000 "A" ordinary shares of £1 each	<b>800</b>
141,177 "B" ordinary shares of £1 each	<b>141</b>
	<hr/>
	<b>941</b>
	<hr/>
<i>Allotted, called up and fully paid</i>	
800,000 "A" ordinary shares of £1 each	<b>800</b>
102,589 "B" ordinary shares of £1 each	<b>102</b>
	<hr/>
	<b>902</b>
	<hr/>

On incorporation the authorised share capital of the company comprised 1,000 ordinary shares of £1 each. On 14 September 2005, the company passed an ordinary resolution to redesignate each of these shares as B ordinary shares of £1 each. On the same date the authorised share capital was increased to £941,177 by the creation of 800,000 A ordinary shares of £1 each, and a further 140,177 B ordinary shares of £1 each. On 14 September 2005 60,054,668 preference shares of 1p each were issued. These shares are classified as borrowings (see note 17) as required by FRS 25.

***Rights of shares***

The preference shares have a coupon rate of 7.74% of the issue price, being the aggregate amount of the nominal value and share premium of the shares. The dividends are payable annually subject to there being sufficient distributable reserves. Where the dividends are not capable of being paid, the unpaid dividends bear interest at 3% above LIBOR.

On return of capital the surplus assets after payment of all liabilities is applied in the following order:

- (a) preference shares equal to 100% of the issue price plus any unpaid dividend;
- (b) "A" ordinary shares equal to 100% of the issue price;
- (c) "B" ordinary shares equal to 100% of the issue price;
- (d) the balance is distributed amongst holders of "A" and "B" ordinary shares *pari passu*.

Each "A" ordinary share and each "B" ordinary share entitles the holder to one vote. Preference shares do not carry any voting rights.

**Notes** (continued)

**21 Share premium and reserves**

**Group**

	Share capital	Share premium account	2005 Profit and loss account	Total
	£000	£000	£000	£000
At beginning of period	-	-	-	-
Shares issued	902	43	-	945
Loss for the period	-	-	(2,480)	(2,480)
Currency movement	-	-	54	54
<b>At end of period</b>	<b>902</b>	<b>43</b>	<b>(2,426)</b>	<b>(1,481)</b>

**Company**

	Share capital	Share premium account	2005 Profit and loss account	Total
	£000	£000	£000	£000
At beginning of period	-	-	-	-
Shares issued	902	43	-	945
Profit for the period	-	-	7,006	7,006
<b>At end of period</b>	<b>902</b>	<b>43</b>	<b>7,006</b>	<b>7,951</b>

**22 Guarantees and other financial commitments**

At 30 September 2005, the group had the following commitments outstanding:

**(a) Operating lease commitments**

	Land and buildings	Other
	2005 £000	2005 £000
Minimum annual lease rentals under operating leases which expire:		
Within one year	-	499
Within two to five years	70	1,000
After five years	123	-
	<b>193</b>	<b>1,499</b>

The leases of land and buildings are subject to rent reviews at various intervals specified in the leases.



## Notes (continued)

### 22 Guarantees and other financial commitments (continued)

#### (b) Contingencies

At 30 September 2005, the group had contingent liabilities in respect of performance bonds totalling £2,704,000 given to certain of its customers by the group's bankers.

#### (c) Security

The assets of the group are pledged by Tunstall Group Acquisition Limited to their bankers as security against loans.

### 23 Pension scheme

The group operates a funded pension scheme providing benefits for UK employees of the group based on final pensionable pay and the assets of the scheme are held in a separate trustee administered fund.

Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees working lives with the group. The contributions are determined by a qualified actuary on the basis of triennial valuations.

The pension charge for the period was £68,000.

The major assumptions used to calculate the scheme liabilities at 30 September 2005 under FRS 17 are:

	2005
Rate of increase in salaries	2.65%
Rate of increase in pensions in payment and deferred pensions	2.65%
Discount rate applied to scheme liabilities	5.0%
Inflation assumption	2.65%

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

The market value of the assets in the scheme and the expected rate of return was:

	Long term rate of return	Value at 30 September
	2005	2005 £000
Equities	7.50%	18,925
Bonds	4.75%	4,385
Other - property	4.50%	5,560
		<hr/> 28,870
Present value of scheme liabilities		(31,003)
		<hr/>
Deficit in the scheme		(2,133)
Related deferred tax asset (unrecognised)		640
		<hr/>
Net deficit		(1,493)
		<hr/> <hr/>

## Notes (continued)

### 23 Pension scheme (continued)

#### Movement in deficit during the period

	2005 £000
Deficit in scheme on acquisition (14 September 2005)	(7,733)
Movement in period:	
Contributions	5,600
	<hr/>
Deficit in scheme at end of period (30 September 2005)	(2,133)
	<hr/>

The company will continue to pay contributions of 11.5% of pensionable salaries subject to statutory requirements.

### 24 Related party disclosures

A controlling interest in the company is held by Bridgepoint Capital (Nominees) Limited by virtue of its 78.85% holding in the shares of the company. Bridgepoint also holds 92.1% of the unsecured subordinated loan notes, the repayment and interest terms of which are disclosed in note 17. Fees of £80,000 per annum are paid by the company to Bridgepoint in respect of management services. Where appropriate these fees are included in the amounts disclosed as directors' emoluments in note 5.

The company has taken advantage of the exemption in FRS 8 *Related party disclosures* not to disclose the transactions with other members of the group.

Included in the profit and loss account and balance sheet are the following transactions and year end balances with associated undertakings. All transactions were undertaken on usual commercial terms.

	£000
Sales	14
Amounts due from associated undertakings	235
	<hr/>

In the opinion of the directors, there were no other related party transactions during the year.

### 25 Ultimate controlling party

The directors consider that Bridgepoint Capital Group Limited, a company incorporated in England, is the ultimate controlling party of the group.

## Principal subsidiary undertakings

Subsidiary	Principal activity	Country of incorporation	% shareholding	
			Direct	Via subsidiary
Tunstall Group Finance Limited	Intermediate holding company	England	100%	
Tunstall Group Acquisition Limited	Intermediate holding company	England		100%
Tunstall Holdings Limited	Intermediate holding company	England		100%
Blythmore Limited	Intermediate holding company	England		100%
Tunstall Group Limited	Intermediate holding company	England		100%
Tunstall Telecom Limited	Marketing, installation & service of community alarms	England		100%
Tunstall Response Limited	Monitoring of community alarms in UK	England		100%
Emergency Response Limited	Marketing, installation, and service of community alarms	RoI		100%
Tunstall Canada Inc	Marketing, installation, and service of community alarms	Canada		100%
Tunstall Australasia Pty	Marketing, installation, and service of community alarms	Australasia		100%
Tunstall Iberica SA	Marketing, installation, and service of community alarms	Spain		100%
Biotel SA	Marketing, installation, and service of community alarms	France		100%
Tunstall New Zealand Trust	Monitoring of community alarms in UK	New Zealand		100%
Attendo Systems Holdings AB	Intermediate holding company	Sweden		100%
Attendo Systems Group AB	Intermediate holding company	Sweden		100%
Attendo Systems AB	Marketing, installation, and service of community alarms	Sweden		100%
Attendo Systems OY	Marketing, installation, and service of community alarms	Finland		100%
Attendo Systems AS	Marketing, installation, and service of community alarms	Denmark		100%
Attendo Systems SAS	Monitoring of community alarms in UK	France		100%
Attendo Systems SL	Marketing, installation, and service of community alarms	Spain		100%
Attendo Systems AG	Marketing, installation, and service of community alarms	Switzerland		100%
Attendo Systems bv	Marketing, installation, and service of community alarms	Holland		100%
Telearm Care Holdings Limited	Intermediate holding company	England		100%
Cass Care Limited	Intermediate holding company	England		100%
Attendo Response Limited	Monitoring of community alarms in UK	England		100%
Attendo Monitoring Limited	Monitoring of community alarms in UK	England		100%
Tunstall Group Holdings GmbH	Intermediate holding company	Germany		100%
Tunstall Holdings GmbH	Intermediate holding company	Germany		100%
Tunstall GmbH	Installation of community alarms and hospital emergency communications systems.	Germany		100%
Attendo Services GmbH	Marketing, installation, and service of community alarms	Germany		100%
Tunstall bv	Marketing, installation, and service of community alarms	Holland		100%

**Principal subsidiary undertakings**

<b>Subsidiary</b>	<b>Principal activity</b>	<b>Country of incorporation</b>	<b>Direct</b>	<b>Via subsidiary</b>
Tunstall Belgium SA	Marketing, installation, and service of community alarms	Belgium		100%
<b>Associates</b>				
Sergesa-Televida SL	Monitoring of community alarms in UK	Spain		100%
Tunstall-Proazimut AIE	Installation of community alarms in Spain	Spain		100%
Tele og Samband AS	Marketing of community alarm equipment in Norway	Norway		100%

**Unaudited non-statutory pro forma consolidated profit and loss account**  
*for the period ended 30 September 2005*

	2005 £000
<b>Turnover</b>	5,537
<b>Operating profit before amortisation of goodwill</b>	698
Amortisation of goodwill	(507)
<b>Operating profit, being profit on ordinary activities before interest</b>	191
Bank interest receivable	39
Interest payable (see below)	(2,099)
<b>Loss on ordinary activities before taxation</b>	(1,869)
Tax on loss on ordinary activities	(432)
<b>Loss on ordinary activities after taxation</b>	(2,301)
Preference dividend	(179)
<b>Retained loss for period</b>	(2,480)

**Interest payable and similar charges**

	2005 £000
On bank loans and overdrafts	508
On all other loans	499
Net exchange losses	1,092
	2,099

**Unaudited non-statutory pro forma consolidated balance sheet**  
**at 30 September 2005**

	2005	
	£000	£000
<b>Fixed assets</b>		
Intangible assets	263,173	
Tangible assets	12,062	
Investments in associates	314	
	<hr/>	
		275,549
<b>Current assets</b>		
Stocks	10,747	
Debtors	27,308	
Cash at bank and in hand	24,952	
	<hr/>	
	63,007	
<b>Creditors: Falling due within one year</b>	(43,390)	
	<hr/>	
<b>Net current assets</b>		19,617
		<hr/>
<b>Total assets less current liabilities</b>		295,166
<b>Creditors: Amounts falling due in more than one year</b>		(234,145)
<b>Provisions for liabilities and charges</b>		(314)
		<hr/>
<b>Net assets before net pension liabilities</b>		60,707
Net pension liabilities		(2,133)
		<hr/>
<b>Net assets</b>		58,574
		<hr/> <hr/>
<b>Capital and reserves</b>		
Called up share capital (see below)		1,503
Share premium account (see below)		59,497
Profit and loss account (see below)		(2,426)
		<hr/>
<b>Shareholders' funds</b>		58,574
		<hr/> <hr/>

**Share capital and reserves**

	Share capital £000	Share premium £000	Profit and loss account £000	Total £000
At beginning of period	-	-	-	-
Shares issued	1,503	59,497	-	61,000
Loss for the period	-	-	(2,480)	(2,480)
Currency movement	-	-	54	54
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At end of period</b>	1,503	59,497	(2,426)	58,574
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

### **Basis of preparation**

The consolidated profit and loss account and balance sheet presented above reflect the issue of preference shares in the year as share capital and share premium and, as such, do not comply with FRS 25: 'Financial instruments: Disclosure and presentation' which was mandatory for periods starting on or after 1 January 2005.