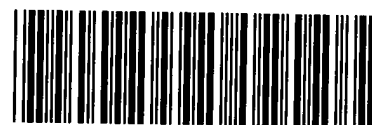


**NEXT CONTROL SYSTEMS LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**for the year ended 31 December 2014**

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**NEXT CONTROL SYSTEMS LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	T Bartholomew R Mallozzi P Modiano N E Segal
<b>COMPANY SECRETARY</b>	N E Segal
<b>REGISTERED NUMBER</b>	02540171
<b>REGISTERED OFFICE</b>	6 Farnborough Business Centre Eelmoor Road Farnborough Hampshire GU14 7XA
<b>INDEPENDENT AUDITORS</b>	Wise & Co Chartered Accountants and Statutory Auditors Wey Court West Union Road Farnham Surrey GU9 7PT

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## NEXT CONTROL SYSTEMS LIMITED

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### DIRECTORS' REPORT for the year ended 31 December 2014

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The directors present their report and the financial statements for the year ended 31 December 2014.

#### DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic report, 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

#### PRINCIPAL ACTIVITIES

The principal activities of the company remain the design, installation and maintenance of specialist building control systems which include remote plant failure alarm, site incident management and energy monitoring. 'Tutela' is a remote wireless temperature data recording and plant exception alarm service.

#### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £683,159 (2013 - £541,553).

During the year, the board declared a dividend amounting to £102,176 (2012: £nil).

#### DIRECTORS

The directors who served during the year were:

T Bartholomew  
R Mallozzi  
P Modiano  
N E Segal

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**NEXT CONTROL SYSTEMS LIMITED**

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**DIRECTORS' REPORT**  
**for the year ended 31 December 2014**

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**DISCLOSURE OF INFORMATION TO AUDITORS**

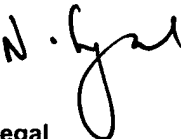
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Wise & Co, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on **13 AUGUST 2015** and signed on its behalf.

  
**N E Segal**  
Director

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## NEXT CONTROL SYSTEMS LIMITED

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### STRATEGIC REPORT for the year ended 31 December 2014

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#### BUSINESS REVIEW

Next Control Systems Ltd provide the following services:

- A bureau which takes alarms from HVAC equipment from hotels, supermarkets, office and other commercial and educational buildings.
- The installation and maintenance of building control systems
- Setting up energy monitoring systems, recording energy information and reviewing equipment set up
- The installation of Tutela equipment, which is environmental monitoring equipment aimed at the medical market, and the storage of this data, and reacting to any alarms

The mix of sales is moving more towards recurring revenues, monitoring, energy and maintenance contracts which now take over 30% of turnover, with projects at 60%.

Turnover at £8.2m was a healthy 18% up on 2013. The gross margin in 2014 at 60.5% was slightly higher than in 2013, but continued tight control over the overheads produced a pre-tax profit of £821,500, a return on sales of 10% up from 9% in 2013.

The sales team for both Tutela and the Integrated Energy Systems businesses have been strengthened, with some significant recruitment in both areas. There was a 77% increase in the Tutela business over 2013.

The US subsidiary was given a significant boost with 2014 sales increasing by over 200% over 2013.

At the end of the year the cash position was strong, the business is technologically very well placed, and the company, very solid.

This report was approved by the board on 13 March 2015 and signed on its behalf.

N E Segal  
Director



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## NEXT CONTROL SYSTEMS LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NEXT CONTROL SYSTEMS LIMITED

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We have audited the financial statements of Next Control Systems Limited for the year ended 31 December 2014, set out on pages 6 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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NEXT CONTROL SYSTEMS LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NEXT CONTROL SYSTEMS LIMITED

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*M. Dickinson*

Mark Dickinson FCA (Senior statutory auditor)  
for and on behalf of

**Wise & Co**

Chartered Accountants and Statutory Auditors

Wey Court West

Union Road

Farnham

Surrey

GU9 7PT

Date:

*25/8/2015*

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**NEXT CONTROL SYSTEMS LIMITED**

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**PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 December 2014**

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	Note	2014 £	2013 £
<b>TURNOVER</b>	1	<b>8,165,653</b>	<b>6,890,915</b>
Cost of sales		<b>(3,227,692)</b>	<b>(2,759,161)</b>
<b>GROSS PROFIT</b>		<b>4,937,961</b>	<b>4,131,754</b>
Administrative expenses		<b>(4,115,966)</b>	<b>(3,508,178)</b>
<b>OPERATING PROFIT</b>	2	<b>821,995</b>	<b>623,576</b>
Interest payable and similar charges	5	<b>(495)</b>	<b>(1,049)</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>821,500</b>	<b>622,527</b>
Tax on profit on ordinary activities	6	<b>(138,341)</b>	<b>(80,974)</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	19	<b>683,159</b>	<b>541,553</b>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

The notes on pages 9 to 21 form part of these financial statements.



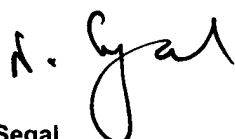
**NEXT CONTROL SYSTEMS LIMITED**  
Registered number: 02540171

**BALANCE SHEET**  
as at 31 December 2014

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Intangible assets	7		95,702		81,717
Tangible assets	8		120,104		123,277
			<u>215,806</u>		<u>204,994</u>
<b>CURRENT ASSETS</b>					
Stocks	10	497,734		492,435	
Debtors	11	3,297,965		2,930,948	
Cash at bank and in hand		172,494		446,648	
		<u>3,968,193</u>		<u>3,870,031</u>	
<b>CREDITORS:</b> amounts falling due within one year	12	(1,459,852)		(1,796,163)	
<b>NET CURRENT ASSETS</b>			<u>2,508,341</u>		<u>2,073,868</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,724,147</u>		<u>2,278,862</u>
<b>CREDITORS:</b> amounts falling due after more than one year	13		-		(3,660)
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred Tax	16		(16,965)		(12,770)
<b>NET ASSETS</b>			<u><u>2,707,182</u></u>		<u><u>2,262,432</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		68,117		68,117
Share premium account	19		121,723		121,723
Profit and loss account	19		2,517,342		2,072,592
<b>SHAREHOLDERS' FUNDS</b>	20		<u><u>2,707,182</u></u>		<u><u>2,262,432</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

13 August 2015



N E Segal  
Director

The notes on pages 9 to 21 form part of these financial statements.

**NEXT CONTROL SYSTEMS LIMITED**

**CASH FLOW STATEMENT**  
for the year ended 31 December 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	23	181,326	445,744
Returns on investments and servicing of finance	24	(495)	(1,049)
Taxation		(106,421)	(44,014)
Capital expenditure and financial investment	24	(93,891)	(68,312)
Equity dividends paid		(238,409)	(102,176)
<b>CASH (OUTFLOW)/INFLOW BEFORE FINANCING</b>		<b>(257,890)</b>	<b>230,193</b>
Financing	24	(16,264)	(15,710)
<b>(DECREASE)/INCREASE IN CASH IN THE YEAR</b>		<b>(274,154)</b>	<b>214,483</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT**  
for the year ended 31 December 2014

	2014 £	2013 £
(Decrease)/Increase in cash in the year	(274,154)	214,483
Cash outflow from decrease in debt and lease financing	16,264	15,710
<b>CHANGE IN NET DEBT RESULTING FROM CASH FLOWS</b>	<b>(257,890)</b>	<b>230,193</b>
Other non-cash changes	-	(1,996)
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>(257,890)</b>	<b>228,197</b>
Net funds at 1 January 2014	426,229	198,032
<b>NET FUNDS AT 31 DECEMBER 2014</b>	<b>168,339</b>	<b>426,229</b>

The notes on pages 9 to 21 form part of these financial statements.

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## NEXT CONTROL SYSTEMS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014

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#### 1. ACCOUNTING POLICIES

##### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

##### 1.2 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

##### 1.3 RESEARCH AND DEVELOPMENT

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the Profit and loss account.

##### 1.4 WORK IN PROGRESS

Work in progress comprising contracts for services are accounted for as long term contracts and are stated at cost plus attributable overheads and profit reflecting the state of completion of the contract at the balance sheet date. Provision is made for any foreseeable losses and no profit is attributed where the outcome of the contract cannot be assessed with reasonable certainty.

Work in progress on all other contracts is stated at the lower of cost and net realisable value after making due allowance for any foreseeable losses.

##### 1.5 STOCKS

Stocks are valued at the lower of cost and net realisable value under a FIFO basis after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

##### 1.6 INTANGIBLE FIXED ASSETS AND AMORTISATION

Amortisation of development costs is calculated so as to write off the cost of the asset, less its estimated residual value, over the useful economic life of that asset.

Amortisation is provided at the following rates:

Development	-	amortised over five to six years, straight line basis
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## NEXT CONTROL SYSTEMS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & Fittings	-	15-20% straight line
Office Equipment	-	25% straight line
Computer Equipment	-	15-25% straight line

##### 1.8 OPERATING LEASES

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

##### 1.9 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

##### 1.10 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

##### 1.11 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

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**NEXT CONTROL SYSTEMS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2014

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**2. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	60,987	58,112
Auditors' remuneration	6,225	5,825
- equipment leasing		
- plant and machinery	150,469	157,418
Difference on foreign exchange	96	(86)
Amortisation of deferred research and development expenditure	18,780	16,704
Staff pensions	55,891	39,506
	<u>60,987</u>	<u>58,112</u>

**3. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows:

	2014 £	2013 £
Wages and salaries	2,758,809	2,294,147
Social security costs	13,912	12,725
Other pension costs	78,211	61,164
	<u>2,850,932</u>	<u>2,368,036</u>

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

	2014 No.	2013 No.
Directors/Managers	9	9
Administrative/IT	11	11
Sales	7	5
Operational	42	37
	<u>69</u>	<u>62</u>

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**NEXT CONTROL SYSTEMS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2014**

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**4. DIRECTORS' REMUNERATION**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Remuneration	<b>108,424</b>	<b>103,219</b>
Company pension contributions to defined contribution pension schemes	<b>22,320</b>	<b>21,658</b>

During the year retirement benefits were accruing to 1 director (2013 - 1) in respect of defined contribution pension schemes.

**5. INTEREST PAYABLE**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	<b>495</b>	<b>1,049</b>

**6. TAXATION**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>ANALYSIS OF TAX CHARGE IN THE YEAR</b>		
<b>CURRENT TAX</b> (see note below)		
UK corporation tax charge on profit for the year	<b>134,146</b>	<b>79,262</b>
<b>DEFERRED TAX</b> (see note 16)		
Origination and reversal of timing differences	<b>4,195</b>	<b>1,712</b>
<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>138,341</b>	<b>80,974</b>

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**NEXT CONTROL SYSTEMS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2014**

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**6. TAXATION (continued)**

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2013 - *lower than*) the standard rate of corporation tax in the UK of 21% (2013 - 23%). The differences are explained below:

	<b>2014</b> <b>£</b>	<b>2013</b> <b>£</b>
Profit on ordinary activities before tax	<b>821,500</b>	622,527
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2013 - 23%)	<b>172,515</b>	143,181
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>2,031</b>	5,649
Capital allowances for year in excess of depreciation	<b>(4,512)</b>	(1,791)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	<b>(41,524)</b>	(68,618)
Changes in provisions leading to an increase (decrease) in the tax charge	<b>2,558</b>	841
Other differences leading to an increase (decrease) in the tax charge	<b>3,078</b>	-
<b>CURRENT TAX CHARGE FOR THE YEAR</b> (see note above)	<b>134,146</b>	79,262

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges.

**NEXT CONTROL SYSTEMS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2014

**7. INTANGIBLE FIXED ASSETS**

	Develop- ment £
<b>COST</b>	
At 1 January 2014	317,193
Additions	32,765
At 31 December 2014	349,958
<b>AMORTISATION</b>	
At 1 January 2014	235,476
Charge for the year	18,780
At 31 December 2014	254,256
<b>NET BOOK VALUE</b>	
At 31 December 2014	95,702
At 31 December 2013	81,717

Intangible fixed assets represent the costs of developing and improving control systems which are incorporated into specific products and services. The capitalised development costs are written off over the expected useful lifetime of the products and services to which they relate, which is normally five to six years.

**8. TANGIBLE FIXED ASSETS**

	Fixtures & Fittings £	Office Equipment £	Computer Equipment £	Total £
<b>COST</b>				
At 1 January 2014	44,063	22,424	511,618	578,105
Additions	584	2,898	54,332	57,814
Disposals	-	(6,774)	(53,905)	(60,679)
At 31 December 2014	44,647	18,548	512,045	575,240
<b>DEPRECIATION</b>				
At 1 January 2014	31,784	16,989	406,055	454,828
Charge for the year	3,287	2,435	55,265	60,987
On disposals	-	(6,774)	(53,905)	(60,679)
At 31 December 2014	35,071	12,650	407,415	455,136
<b>NET BOOK VALUE</b>				
At 31 December 2014	9,576	5,898	104,630	120,104
At 31 December 2013	12,279	5,435	105,563	123,277



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**NEXT CONTROL SYSTEMS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2014

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**9. INVESTMENTS**

The company owns 100% of the issued share capital of the company listed below, which is incorporated in the United States of America.

Tutela Monitoring Systems LLC

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Profit/(loss) for the year	<b>(18,868)</b>	<b>(124,549)</b>
Aggregate capital and reserves	<b>(1,274,680)</b>	<b>(1,183,167)</b>

**10. STOCKS**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Work in progress	<b>89,544</b>	<b>146,536</b>
Stock	<b>408,190</b>	<b>345,899</b>
	<b><u>497,734</u></b>	<b><u>492,435</u></b>

**11. DEBTORS**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>1,248,810</b>	<b>1,364,592</b>
Amounts owed by group undertakings	<b>1,864,193</b>	<b>1,366,403</b>
Other debtors	<b>30,453</b>	<b>36,973</b>
Prepayments and accrued income	<b>154,509</b>	<b>162,980</b>
	<b><u>3,297,965</u></b>	<b><u>2,930,948</u></b>

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**NEXT CONTROL SYSTEMS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2014

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**12. CREDITORS:  
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<b>4,155</b>	16,759
Trade creditors	<b>579,312</b>	688,029
Corporation tax	<b>100,017</b>	72,292
Other taxation and social security	<b>193,135</b>	263,920
Advanced payments on monitoring and maintenance contracts	<b>367,640</b>	583,440
Other creditors	<b>9,642</b>	4,998
Accruals and deferred income	<b>205,951</b>	166,725
	<b><u>1,459,852</u></b>	<b><u>1,796,163</u></b>

Calibre Services Group Limited and its subsidiaries and Next Control Systems Limited have a bank overdraft facility in place which is repayable on demand. The security in place is a Composite Accounting Agreement between the bank and Calibre Services Group Limited and is supported by a legal charge over the leasehold property of Calibre Services Group Limited.

**13. CREDITORS:  
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Bank loans	<b>-</b>	3,660

Included within the above are amounts falling due as follows:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>BETWEEN ONE AND TWO YEARS</b>		
Bank loans	<b>-</b>	3,660

**14. PENSION COMMITMENTS**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £78,211 (2013 - £61,164). Contributions totalling £9,643 (2013 - £4,998) were payable to the fund at the balance sheet date and are included in creditors.

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**NEXT CONTROL SYSTEMS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2014

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**15. OPERATING LEASE COMMITMENTS**

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>			<b>Other</b>
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>EXPIRY DATE:</b>				
Within 1 year	-	47,800	52,772	30,346
Between 2 and 5 years	99,400	-	43,481	71,201
	<u>99,400</u>	<u>47,800</u>	<u>96,253</u>	<u>101,547</u>

**16. DEFERRED TAXATION**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
At beginning of year	12,770	11,058
Charge for year (P&L)	4,195	1,712
	<u>16,965</u>	<u>12,770</u>
At end of year	<u>16,965</u>	<u>12,770</u>

The provision for deferred taxation is made up as follows:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	23,401	17,369
Movement in pension creditor	(6,436)	(4,599)
	<u>16,965</u>	<u>12,770</u>

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## NEXT CONTROL SYSTEMS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014

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#### 17. RELATED PARTY TRANSACTIONS

During the year N Segal, R Mallozzi, P Modiano and T Bartholomew, directors of the company, received dividends of £76,433, £71,760, £41,440 and £24,377 respectively.

During the year the company undertook transactions with Calibre Services Group Limited and its subsidiary companies: LH plc and Klima-Therm Limited.

N Segal, R Mallozzi and P Modiano are directors of Calibre Services Group Limited. N Segal and R Mallozzi are also directors of both subsidiary companies.

During the year, management charges of £42,000 (2013: £39,000) were paid to Calibre Services Group Limited.

At the year end, the company owed £12,600 (2013: £7,800) to Calibre Services Group Limited which is disclosed within the trade creditors figure.

During the year, the company made sales totalling £7,481 (2013: £8,973) to LH plc and £280.75 purchases (2013: nil) from LH plc.

At the year end, the company was owed £2,486 (2013: £2,607) by LH plc which is disclosed within the trade debtors figure.

During the year, the company made sales totalling £6,425 (2012: £498) to Klima-Therm Limited and purchases totalling £5,000 (2013: £6,570).

At the year end, the company had no balances with Klima-Therm Limited (2012: Was owed £4,099 disclosed within trade debtors, owed £538 disclosed within trade creditors).

During the year, the company made sales of nil (2013: £5,600) to Chase Restaurants Limited.

Calibre Services Group Limited has provided a bank guarantee of £195,000 in respect of the bank facilities of the company.

Tutela Monitoring Systems LLC is a 100% subsidiary company of Next Control Systems Limited and provides similar services in the United States of America to that of Next Control Systems Limited.

During the year sales of \$362,163 (2013: \$144,120) were made to Tutella Monitoring Systems LLC and costs of \$312,629 were incurred on their behalf and have been recharged across during the year.

At the year end, the company was owed £1,864,193 (2013: £1,366,403) from Tutela Monitoring Systems LLC.

#### 18. SHARE CAPITAL

	2014 £	2013 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
68,117 Ordinary shares of £1 each	<u>68,117</u>	<u>68,117</u>

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**NEXT CONTROL SYSTEMS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2014

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**19. RESERVES**

	Share premium account £	Profit and loss account £
At 1 January 2014	121,723	2,072,592
Profit for the financial year		683,159
Dividends: Equity capital		(238,409)
	<hr/>	<hr/>
At 31 December 2014	121,723	2,517,342
	<hr/>	<hr/>

**20. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2014 £	2013 £
Opening shareholders' funds	2,262,432	1,823,055
Profit for the financial year	683,159	541,553
Dividends (Note 21)	(238,409)	(102,176)
	<hr/>	<hr/>
Closing shareholders' funds	2,707,182	2,262,432
	<hr/>	<hr/>

**21. DIVIDENDS**

	2014 £	2013 £
Dividends paid on equity capital	238,409	102,176
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**22. CONTROLLING PARTY**

In the opinion of the directors, during the year under review, no single party held control over the company.

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**NEXT CONTROL SYSTEMS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2014

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**23. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2014 £	2013 £
Operating profit	821,995	623,576
Amortisation of intangible fixed assets	18,780	16,704
Depreciation of tangible fixed assets	60,987	58,112
Loss on disposal of tangible fixed assets	3,313	-
Increase in stocks	(5,299)	(35,724)
Decrease/(increase) in debtors	130,773	(222,208)
Increase in amounts owed by group undertakings	(497,790)	(364,032)
(Decrease)/increase in creditors	(351,433)	369,316
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>181,326</b>	<b>445,744</b>

**24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2014 £	2013 £
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest paid	(495)	(1,049)
	<b>2014 £</b>	<b>2013 £</b>
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of intangible fixed assets	(32,765)	(18,314)
Purchase of tangible fixed assets	(57,814)	(49,998)
Sale of tangible fixed assets	(3,312)	-
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>	<b>(93,891)</b>	<b>(68,312)</b>
	<b>2014 £</b>	<b>2013 £</b>
<b>FINANCING</b>		
Repayment of loans	(16,264)	(15,710)
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NEXT CONTROL SYSTEMS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2014

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25. ANALYSIS OF CHANGES IN NET FUNDS

	1 January 2014 £	Cash flow £	Other non-cash changes £	31 December 2014 £
Cash at bank and in hand	446,648	(274,154)	-	172,494
<b>DEBT:</b>				
Debts due within one year	(16,759)	16,264	(3,660)	(4,155)
Debts falling due after more than one year	(3,660)	-	3,660	-
<b>NET FUNDS</b>	<u>426,229</u>	<u>(257,890)</u>	<u>-</u>	<u>168,339</u>