

COMPANY REGISTRATION NUMBER 03376202

**OPENVIEW SECURITY SOLUTIONS LIMITED  
(FORMERLY CARTEL SECURITY SYSTEMS PLC)**

FINANCIAL STATEMENTS

31 JULY 2013

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# OPENVIEW SECURITY SOLUTIONS LIMITED (FORMERLY CARTEL SECURITY SYSTEMS PLC)

FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2013

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# **OPENVIEW SECURITY SOLUTIONS LIMITED (FORMERLY CARTEL SECURITY SYSTEMS PLC)**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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### **THE BOARD OF DIRECTORS**

P Bullen  
M P Ingleson  
K C Hall

### **REGISTERED OFFICE**

Openview House  
Chesham Close  
Romford  
Essex  
RM7 7PJ

### **AUDITOR**

Menzies LLP  
Chartered Accountants  
Heathrow Business Centre  
65 High Street  
Egham  
Surrey TW20 9EY

### **BANKERS**

Royal Bank of Scotland  
3rd Floor  
Cavell House  
2A Charing Cross Road  
London  
WC2N 0NN

# **OPENVIEW SECURITY SOLUTIONS LIMITED (FORMERLY CARTEL SECURITY SYSTEMS PLC)**

## **DIRECTORS' REPORT**

**YEAR ENDED 31 JULY 2013**

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The directors present their report and the financial statements of the company for the year ended 31 July 2013

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company continued to be that of the design, installation and maintenance of all types of electronic security systems

During the year, the trade and assets of fellow subsidiaries of Openview Group Limited, namely Delaware Communications Limited, Garndene Communication Systems Limited and Camrasonic Limited were transferred to Openview Security Solutions Limited. This resulted in net assets of £5.41m being brought into the company and turnover in the period attributable to the companies transferred was £9.1m

The Company continued to provide its services and solutions to Local Government, Housing Associations in addition to the Police and private sector. The transfer referred to above expanded the number of locations we primarily work in and enhanced our nationwide presence in addition to our main operations in London and the South East

The Company has significant long-term contracts with a number of customers and suppliers across its market sectors. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The Board remains focused on providing competitive solutions to clients and development of future growth together with investment in staff and systems

#### **Key performance indicators**

- Turnover per employee fell by 19% to £143,445
- Gross profit margin is up from 21.2% to 25.4%

Due to the hive-up, no further KPIs have been deemed useful for users of the financial statements and therefore no others have been included

### **PRINCIPAL RISKS AND UNCERTAINTIES**

Activity levels in the UK security systems sector remain stable with major contract wins in local authority and housing associations. Future development and offering of IP based solutions to clients remains a key area for business growth

Competition in the market place continues to be a primary risk to the business, price pressure to secure new business and successfully tender existing contracts increases the threat of margin erosion. Continuous development of supply chain, increased service levels, and added value to clients remain key to future growth. The company meets its day-to-day working capital requirements through its ongoing banking facilities, forecasts and projections show that the company should be able to operate within the level of its current facility

On the basis of their assessment of the company's financial position, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

### **FUTURE DEVELOPMENTS**

The company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The directors, having assessed group companies' expectations, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the company or Openview Group to continue as a going concern or its ability to continue with the current banking arrangements

### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £1,105,416. The directors have not recommended a dividend

### **DIRECTORS**

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

P Bullen  
M P Ingleson  
K C Hall  
J Simpson

J Simpson retired as a director on 30 November 2012

# OPENVIEW SECURITY SOLUTIONS LIMITED (FORMERLY CARTEL SECURITY SYSTEMS PLC)

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 JULY 2013

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## GOING CONCERN

The directors have assessed the current and forecasted financial position of the company and the group in which it operates. On the basis of this assessment they consider that the company and group can continue to operate within its current banking arrangements. The directors therefore consider that the company will continue to operate profitably for the foreseeable future and as such the accounts are prepared on a going concern basis.

## POLICY ON THE PAYMENT OF CREDITORS

It is the policy of the company to settle all accounts with suppliers having regard to credit terms agreed with individual clients.

## DIRECTORS' RESPONSIBILITIES

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 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 year.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## AUDITOR

Menzies LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Signed on behalf of the directors

M P Ingleson  
Director



Approved by the directors on 10-DEC-13

# **OPENVIEW SECURITY SOLUTIONS LIMITED (FORMERLY CARTEL SECURITY SYSTEMS PLC)**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OPENVIEW SECURITY SOLUTIONS LIMITED  
(FORMERLY CARTEL SECURITY SYSTEMS PLC)**

**YEAR ENDED 31 JULY 2013**

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We have audited the financial statements of Openview Security Solutions Limited (formerly Cartel Security Systems Plc) for the year ended 31 July 2013. 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 shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

## **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 (APB's) Ethical Standards for Auditors.

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

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

## **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 July 2013 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report

Heathrow Business Centre  
65 High Street  
Egham  
Surrey TW20 9EY

19 Dec 2013

JULIE ADAMS FCA (Senior  
Statutory Auditor)  
For and on behalf of  
MENZIES LLP  
Chartered Accountants  
& Statutory Auditor

*Menzies LLP*

**OPENVIEW SECURITY SOLUTIONS LIMITED (FORMERLY  
CARTEL SECURITY SYSTEMS PLC)**

**PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 31 JULY 2013**

		<b>2013</b>	<b>2012</b>
	<b>Note</b>	<b>£</b>	<b>Pre Hive-up (note 9) £</b>
<b>TURNOVER</b>	<b>2</b>	24,242,198	10,392,234
Cost of sales		(18,081,166)	(8,189,490)
<b>GROSS PROFIT</b>		<u>6,161,032</u>	<u>2,202,744</u>
Administrative expenses		(4,860,636)	(2,135,761)
Other operating income	<b>3</b>	120,000	1,155,000
<b>OPERATING PROFIT</b>	<b>4</b>	<u>1,420,396</u>	<u>1,221,983</u>
Interest receivable		54	69
Interest payable and similar charges	<b>7</b>	(43,324)	(13,995)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>1,377,126</u>	<u>1,208,057</u>
Tax on profit on ordinary activities	<b>8</b>	(271,710)	(202,781)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>1,105,416</u></u>	<u><u>1,005,276</u></u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 7 to 14 form part of these financial statements

# OPENVIEW SECURITY SOLUTIONS LIMITED (FORMERLY CARTEL SECURITY SYSTEMS PLC)

## BALANCE SHEET

31 JULY 2013

	Note	2013		2012 Pre Hive-up (note 9)	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	10		1,004,927		196,415
<b>CURRENT ASSETS</b>					
Stocks	11	2,622,348		1,110,926	
Debtors	12	7,842,616		8,817,987	
Cash at bank and in hand		73,414		68,008	
		<u>10,538,378</u>		<u>9,996,921</u>	
<b>CREDITORS: Amounts falling due within one year</b>	13	<u>6,207,370</u>		<u>6,240,045</u>	
<b>NET CURRENT ASSETS</b>			<u>4,331,008</u>		<u>3,756,876</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>5,335,935</u>		<u>3,953,291</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	14		8,606		-
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred taxation	16		80,258		42,067
			<u>5,247,071</u>		<u>3,911,224</u>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	21		50,003		50,003
Revaluation reserve	22		230,431		-
Profit and loss account	23		4,966,637		3,861,221
<b>SHAREHOLDERS' FUNDS</b>	24		<u>5,247,071</u>		<u>3,911,224</u>

These accounts were approved by the directors and authorised for issue on 10-DEC-13, and are signed on their behalf by



M P Ingleson

Company Registration Number 03376202

The notes on pages 7 to 14 form part of these financial statements.

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# OPENVIEW SECURITY SOLUTIONS LIMITED (FORMERLY CARTEL SECURITY SYSTEMS PLC)

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2013

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### 1 ACCOUNTING POLICIES

#### Basis of accounting

The financial statements have been prepared under the historical cost convention

#### Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

#### Turnover

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract

Retention income is recognised when a contract is completed and the obligations of the contract have been met

#### Fixed assets

Fixed asset investments are stated at cost less provision for diminution in value

#### Depreciation

Depreciation is calculated so as to write off the cost or revaluation of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold Property	-	written off in equal instalments over the unexpired period of the lease
Plant and machinery	-	15 - 25% straight line
Fixtures and fittings	-	10 - 20% straight line
Motor Vehicles	-	20 - 25% straight line
Equipment	-	7.5 - 20% straight line

#### Stocks

Stock and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Reclaimed stock relates to items which have been removed from customer sites when they are replaced by the company's systems

Reclaimed stock is valued at the directors best estimate of the lower of cost and net realisable value

#### Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress

#### Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis

#### Operating lease agreements

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

# OPENVIEW SECURITY SOLUTIONS LIMITED (FORMERLY CARTEL SECURITY SYSTEMS PLC)

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2013

### 1. ACCOUNTING POLICIES *(continued)*

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on a discounted/an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

#### Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

#### Invoice discounting

Invoice discounting is accounted for using the separate presentation method in FRS 5. Gross assets are recognised on the balance sheet and a corresponding liability is recognised in respect of the proceeds received from the factor. This is in line with the substance of the transactions entered by the company.

### 2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below

	2013	2012
	£	Pre Hive-up (note 9) £
United Kingdom	24,242,198	10,392,234

### 3. OTHER OPERATING INCOME

	2013	2012
	£	Pre Hive-up (note 9) £
Management charges receivable	120,000	1,155,000

### 4. OPERATING PROFIT

Operating profit is stated after charging

	2013	2012
	£	Pre Hive-up (note 9) £
Depreciation of owned fixed assets	142,769	44,497
Depreciation of assets held under hire purchase agreements	3,400	-
Operating lease costs		
- Other	675,479	233,649
Auditor's remuneration	30,000	20,000

# OPENVIEW SECURITY SOLUTIONS LIMITED (FORMERLY CARTEL SECURITY SYSTEMS PLC)

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2013

	2013	2012
	£	Pre Hive-up (note 9) £
Auditor's remuneration - audit of the financial statements	<u>30,000</u>	<u>20,000</u>

### 5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2013	2012
	No	Pre Hive-up (note 9) No
Directors	4	4
Employees	165	55
	<u>169</u>	<u>59</u>

The aggregate payroll costs of the above were

	2013	2012
	£	Pre Hive-up (note 9) £
Wages and salaries	4,587,303	1,684,536
Social security costs	525,790	173,211
Other pension costs	56,410	-
	<u>5,169,503</u>	<u>1,857,747</u>

### 6. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2013	2012
	£	Pre Hive-up (note 9) £
Remuneration receivable	<u>187,354</u>	<u>114,270</u>

### 7. INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	Pre Hive-up (note 9) £
Interest payable on bank borrowing	209	713
Other similar charges payable	43,115	13,282
	<u>43,324</u>	<u>13,995</u>

# OPENVIEW SECURITY SOLUTIONS LIMITED (FORMERLY CARTEL SECURITY SYSTEMS PLC)

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2013

### 8 TAXATION ON ORDINARY ACTIVITIES

#### (a) Analysis of charge in the year

	2013	2012
	£	Pre Hive-up (note 9) £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 23.67% (2012 - 25.33%)	306,610	200,000
Over/under provision in prior year	-	2,781
Total current tax	<u>306,610</u>	<u>202,781</u>
Deferred tax		
Origination and reversal of timing differences	(34,900)	-
Tax on profit on ordinary activities	<u>271,710</u>	<u>202,781</u>

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 23.67% (2012 - 25.33%)

	2013	2012
	£	Pre Hive-up (note 9) £
Profit on ordinary activities before taxation	<u>1,377,126</u>	<u>1,208,057</u>
Profit on ordinary activities by rate of tax	325,966	292,134
Non deductible expenses	6,634	6,565
Depreciation add back	16,437	11,271
Capital allowances	-	(10,027)
Group relief	(13,979)	(94,937)
Adjustments to previous periods	(28,388)	(2,225)
Sundry tax adjusting items	(60)	-
Total current tax (note 8(a))	<u>306,610</u>	<u>202,781</u>

### 9. HIVE-UP

During the year, the trade and assets of fellow subsidiaries of Openview Group Limited, namely Delaware Communications Limited, Gardene Communication Systems Limited and Camrasonic Limited were transferred to Openview Security Solutions Limited. This resulted in net assets of £5.41m being brought into the company and turnover in the period attributable to the companies transferred was £9.1m.

# OPENVIEW SECURITY SOLUTIONS LIMITED (FORMERLY CARTEL SECURITY SYSTEMS PLC)

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2013

### 10 TANGIBLE FIXED ASSETS

	Freehold & Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
<b>COST</b>						
At 1 Aug 2012	-	-	585,570	47,400	-	632,970
Additions	80,458	-	6,902	13,600	15,601	116,561
Disposals	(29,862)	-	-	(105,778)	-	(135,640)
Transfers	398,241	746,661	207,415	547,441	668,926	2,568,684
<b>At 31 Jul 2013</b>	<b>448,837</b>	<b>746,661</b>	<b>799,887</b>	<b>502,663</b>	<b>684,527</b>	<b>3,182,575</b>
<b>DEPRECIATION</b>						
At 1 Aug 2012	-	-	405,952	30,603	-	436,555
Charge for the year	4,121	17,827	43,255	27,284	53,682	146,169
On disposals	(29,862)	-	-	(105,778)	-	(135,640)
Transfers	62,451	652,876	164,532	441,480	409,225	1,730,564
<b>At 31 Jul 2013</b>	<b>36,710</b>	<b>670,703</b>	<b>613,739</b>	<b>393,589</b>	<b>462,907</b>	<b>2,177,648</b>
<b>NET BOOK VALUE</b>						
<b>At 31 Jul 2013</b>	<b>412,127</b>	<b>75,958</b>	<b>186,148</b>	<b>109,074</b>	<b>221,620</b>	<b>1,004,927</b>
At 31 Jul 2012	-	-	179,618	16,797	-	196,415

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows

	2013 £	2012 Pre Hive-up (note 9) £
<b>Net book value at end of year</b>	<b>335,790</b>	-
<b>Historical cost</b>	<b>117,948</b>	-
<b>Depreciation</b>		
At 1 Aug 2012	27,707	-
Charge for year	2,360	-
At 31 Jul 2013	30,067	-
<b>Net historical cost value</b>		
At 31 Jul 2013	87,881	-
At 1 Aug 2012	90,241	-

#### Hire purchase agreements

Included within the net book value of £1,004,927 is £10,200 (2012 - £Nil) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £3,400 (2012 - £Nil).

### 11. STOCKS

	2013 £	2012 Pre Hive-up (note 9) £
Reclaimed stock	226,365	48,242
Work in progress	920,952	584,598
Finished goods	1,475,031	478,086
	<b>2,622,348</b>	<b>1,110,926</b>

# OPENVIEW SECURITY SOLUTIONS LIMITED (FORMERLY CARTEL SECURITY SYSTEMS PLC)

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2013

### 12. DEBTORS

	2013	2012
	£	Pre Hive-up (note 9) £
Trade debtors	4,313,431	1,923,587
Amounts owed by group undertakings	2,548,065	6,505,997
Other debtors	100,377	10,728
Prepayments and accrued income	880,743	377,675
	<u>7,842,616</u>	<u>8,817,987</u>

The trade debtors balance is subject to a charge in respect of an invoice financing facility. At the balance sheet date £1,152,650 (2012 £674,314) has been borrowed against this facility. The amount borrowed against this facility is included within other creditors (Note 13).

Included within prepayments and accrued income is an amount for £615,752 (2012 £198,593) being amounts recoverable on long term contracts and accrued retention income of £410,618 (2012 £115,214).

### 13. CREDITORS: Amounts falling due within one year

	2013	2012
	£	Pre Hive-up (note 9) £
Overdrafts	70,456	120,563
Trade creditors	4,135,098	2,247,620
Amounts owed to group undertakings	-	2,683,593
Corporation tax	334,998	200,000
Other taxation and social security	397,692	295,456
Hire purchase agreements	3,053	-
Other creditors	1,158,303	674,314
Accruals and deferred income	107,770	18,499
	<u>6,207,370</u>	<u>6,240,045</u>

The company is party to an inter group composite guarantee relating to the bank borrowings of its parent company. The maximum liability in this respect is £750,000 (2012 £750,000).

### 14. CREDITORS: Amounts falling due after more than one year

	2013	2012
	£	Pre Hive-up (note 9) £
Hire purchase agreements	<u>8,606</u>	-

### 15. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	2013	2012
	£	Pre Hive-up (note 9) £
Amounts payable within 1 year	3,053	-
Amounts payable between 2 to 5 years	8,606	-
	<u>11,659</u>	-
Hire purchase agreements are analysed as follows		
Current obligations	3,053	-
Non-current obligations	8,606	-
	<u>11,659</u>	-

# OPENVIEW SECURITY SOLUTIONS LIMITED (FORMERLY CARTEL SECURITY SYSTEMS PLC)

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2013

### 16. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2013	2012
	£	Pre Hive-up (note 9) £
Provision brought forward	42,067	42,067
DT Provn. Arising on hive-up of business	73,091	-
Profit and loss account movement arising during the year	(34,900)	-
Provision carried forward	<u>80,258</u>	<u>42,067</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2013	2012
	£	Pre Hive-up (note 9) £
Excess of taxation allowances over depreciation on fixed assets	80,258	42,067
	<u>80,258</u>	<u>42,067</u>

### 17. COMMITMENTS UNDER OPERATING LEASES

At 31 July 2013 the company had annual commitments under non-cancellable operating leases as set out below

	2013		2012	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire				
Within 1 year	69,000	56,291	69,000	14,476
Within 2 to 5 years	19,600	368,529	-	49,470
	<u>88,600</u>	<u>424,820</u>	<u>69,000</u>	<u>63,946</u>

### 18. CONTINGENCIES

The company had a potential liability for performance bonds to the value of £67,795 (2012 £42,795) in respect of work being undertaken. These bonds are guarantees against default or failure of contract by Openview Security Solutions Limited.

### 19. TRANSACTIONS WITH THE DIRECTORS

P Bullen, M P Ingleson and K C Hall, directors of the company, have provided personal guarantees of £250,000 (2012 £250,000) each, in respect of the borrowings of the company and its group undertakings.

The total amount of leasehold rental payable by the company to KPM partnership, a business whose partners are P Bullen, M P Ingleson and K C Hall was £54,000 (2012 £54,000).

### 20. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

### 21. SHARE CAPITAL

Allotted, called up and fully paid.

	2013		2012	
	No	£	No	£
Ordinary shares of £1 each	<u>50,003</u>	<u>50,003</u>	<u>50,003</u>	<u>50,003</u>

# OPENVIEW SECURITY SOLUTIONS LIMITED (FORMERLY CARTEL SECURITY SYSTEMS PLC)

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2013

### 22 REVALUATION RESERVE

	2013	2012
	£	Pre Hive-up (note 9) £
Transfer from fellow subsidiary	230,431	-
Balance carried forward	<u>230,431</u>	<u>-</u>

### 23. PROFIT AND LOSS ACCOUNT

	2013	2012
	£	Pre Hive-up (note 9) £
Balance brought forward	3,861,221	2,855,945
Profit for the financial year	1,105,416	1,005,276
Balance carried forward	<u>4,966,637</u>	<u>3,861,221</u>

### 24 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	2012
	£	Pre Hive-up (note 9) £
Profit for the financial year	1,105,416	1,005,276
Transfer from fellow subsidiary	230,431	-
Net addition to shareholders' funds	<u>1,335,847</u>	<u>1,005,276</u>
Opening shareholders' funds	3,911,224	2,905,948
Closing shareholders' funds	<u>5,247,071</u>	<u>3,911,224</u>

### 25. ULTIMATE PARENT COMPANY

The ultimate parent company is Openview Group Limited, a company incorporated in England and Wales. Copies of the consolidated financial statements for Openview Group Limited are publicly available from Companies House.

### 26. CONTROL

There is no ultimate controlling party.