

COMPANY NO. 6015140

INFOTEC HOLDINGS LIMITED

**FINANCIAL STATEMENTS
31st MARCH 2007**



INFOTEC HOLDINGS LIMITED

DIRECTORS REPORT

Directors: J T Court
B.L. Court
T Court

Secretary: B L Court

Registered office. 1-4 The Maltings, Tamworth Road, Ashby de la Zouch, Leics LE65 2PS

The directors present their report with the accounts for the period ended 31st March 2007

PRINCIPAL ACTIVITIES

The company was established to act as the parent company in a scheme of reorganisation to acquire the entire issued share capital of Infotec Limited, a company that designs and manufactures electronic moving message information systems and displays. This acquisition was completed in February 2007.

DIRECTORS AND DIRECTORS INTERESTS

The directors shown above were appointed following incorporation.

The directors interests in the ordinary £1 shares of the company at 31st March 2007 were:

J T Court	21,875
B L Court	21,875
T Court	175,000

The directors interests in the floating rate unsecured loan notes 2011 were

J T Court	£365,625
B L Court	£365,625

DIRECTORS RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent,
- follow applicable accounting standards, 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 company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that, so far as they are aware, there is no relevant audit information of which the company's auditors are unaware and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Continued

INFOTEC HOLDINGS LIMITED**DIRECTORS REPORT (CONTD.)****ISSUE OF SHARES**

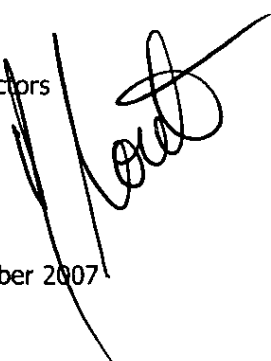
The company issued 218,750 ordinary £1 shares fully paid and issued £731,250 floating rate unsecured loan notes 2011 as part of the scheme of reorganisation to acquire the entire issued share capital of Infotec Limited

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies

Signed on behalf of the board of directors

J T Court - Director

Approved by the board 14th September 2007



INDEPENDENT AUDITORS REPORT TO THE DIRECTORS OF INFOTEC HOLDINGS LIMITED

We have audited the financial statements of Infotec Holdings Limited for the period ended 31st March 2007 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein

This report is made solely to the company's directors as a body, in accordance with your instructions. 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 any one 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 described in the statement of directors responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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. We also report to you if, in our opinion, the directors report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors remuneration and transactions with the company is not disclosed

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it or if it is not consistent with the financial statements.

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 the examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Opinion

In our opinion;

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st March 2007 and of its loss for the period then ended, and
- have been properly prepared in accordance with the Companies Act 1985
- the information given in the directors' report is consistent with the financial statements

JOHN F. MOULD & CO.,

Registered Auditors
19 & 20 Baxter Gate
Loughborough LE11 1TG



14th September 2007

INFOTEC HOLDINGS LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH 2007**

	£
Bank loan interest	5,567
Loan note interest	4,872
Auditors remuneration	1,000
	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(11,439)
Taxation	-
	<hr/>
LOSS CARRIED FORWARD	<u>(11,439)</u>

CONTINUING OPERATIONS

The company was incorporated to acquire the entire issued share capital of Infotec Limited and act as the parent company in the new group structure. None of the company's activities were discontinued during the period.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no gains or losses other than the loss for the period

INFOTEC HOLDINGS LIMITED**BALANCE SHEET – 31st MARCH 2007**

	Note	£	£
FIXED ASSETS			
Investment in subsidiary	2		1,769,579
 CREDITORS – amounts falling due within one year			
Accruals and deferred income		10,468	
Bank loan instalments (secured)	3	148,622	
		<hr/> 159,090	
NET CURRENT LIABILITIES			<hr/> (159,090)
 TOTAL ASSETS LESS CURRENT LIABILITIES			 1,610,489
 CREDITORS – amounts falling due after more than one year			
Bank loan instalments (secured)	3	594,486	
Unsecured loan notes	4	731,250	
Amounts owing to group undertaking		77,442	1,403,178
		<hr/>	<hr/>
NET ASSETS			<hr/> 207,311 <hr/>
 CAPITAL AND RESERVES			
Called up share capital	5		218,750
Profit and loss account – deficit			(11,439)
			<hr/>
SHAREHOLDERS FUNDS	6		<hr/> 207,311 <hr/>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the board of directors

J. T. Court – Director

Approved by the board 14th September 2007

INFOTEC HOLDINGS LIMITED**NOTES ON THE ACCOUNTS – 31st MARCH 2007****1. ACCOUNTING POLICIES****a) Basis of accounting**

The accounts have been prepared under the historical cost convention

b) Group consolidated financial statements

The company and its wholly owned subsidiary, Infotec Limited, comprise a small group. The company has taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

c) Deferred taxation

Provision is made in full for deferred tax, using the liability method, on all material timing differences which are not expected to continue in the future.

2 INVESTMENT IN SUBSIDIARY

	£
Cost of acquisition of subsidiary	<u>1,769,579</u>

The company's investment in its subsidiary company represents the cost of acquisition in February 2007 of the entire share capital of Infotec Limited, a company registered in England, which is engaged in the design and manufacture of electronic moving message information systems and displays.

At 31st March 2007 the aggregate share capital and reserves of Infotec Limited was £806,155 and the profit after taxation for the year ended on that date was £506,466.

3. SECURED BANK BORROWINGS

The secured business loan of £800,000 is repayable over 5 years in 10 instalments of £80,000 on 30th June and 31st December each year commencing on 30th June 2007. The company has the option to prepay all or any part of the loan at any time. Interest is currently chargeable at 2.5% above the Clydesdale Bank plc base rate but is variable subject to certain conditions as repayments progress.

The borrowings are secured principally by debentures and unlimited inter-company cross guarantees between Infotec Holdings Limited and Infotec Limited.

The incidental costs of raising this finance totalling £56,892 have been offset against the loan for purposes of the presentation of the balance sheet and will be charged to the profit and loss account over the repayment term of the loan as follows:

	£	£
Loan repayments due within one year	160,000	
Less: attributable costs of finance	<u>(11,378)</u>	<u>148,622</u>
Loan repayments due between two and five years	640,000	
Less attributable costs of finance	<u>(45,514)</u>	<u>594,486</u>

INFOTEC HOLDINGS LIMITED**NOTES ON THE ACCOUNTS – 31st MARCH 2007****4. UNSECURED LOAN NOTES**

The floating rate unsecured loan notes 2011 were issued in connection with the agreement to acquire the entire shareholding of Infotec Limited. They are repayable in full on the first business day after the banking facilities have been repaid in full or such later date as the noteholders and the company shall agree.

Until the notes are repaid interest is payable each calendar quarter at the rate of 3% above the Euro lending rate of Clydesdale Bank plc.

5 CALLED UP SHARE CAPITAL

At 31st March 2006 and 2007

	Authorised	Allotted, called up issued & fully paid
Shares of £1 each	218,750	218,750
	<u> </u>	<u> </u>

The authorised share capital was increased from £1,000 to £218,750 by a resolution dated 23rd February 2007. The subscribers shares were transferred and a further 218,748 shares were issued fully paid in connection with the agreement to acquire the entire shareholding of Infotec Limited on that date.

6 RECONCILIATION OF MOVEMENT ON SHAREHOLDERS FUNDS

	£
Loss for the period after taxation	(11,439)
Shares issued	218,750
	<u> </u>
Closing shareholders funds at 31 st March 2007	207,311
	<u> </u>