

**BST BUTLER TECHNOLOGIES LIMITED**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

**Company Number: 08124771**



**BST BUTLER TECHNOLOGIES LIMITED (Registered number : 08124771)**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

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**BST BUTLER TECHNOLOGIES LIMITED (Registered number : 08124771)**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

**DIRECTORS, SECRETARY AND ADVISERS**

**Directors:** Mr W. Butler  
Mr V. Mathieu  
Mrs L. Nolan

**Registered Office:** Fourth Floor  
11 Hanover Street  
London  
W1S 1YQ

**Company Number:** 08124771

**Auditors:** haysm'acintyre  
26 Red Lion Square  
London  
WC1R 4AG

**STRATEGIC REPORT**

**Review of the business**

The principal activity of the Group is distribution of applied innovative technologies for corporate and personal security to individuals and corporates in Europe.

The Group started its activity in March 2012 following the acquisition of companies and assets of the Safetic Group. In 2013 the Group set up new subsidiaries in Brazil, Hong Kong and Spain.

The Group's second year of operation shows again a positive operating profit but a net loss mainly due to investments to implement the activity in Brazil.

**Description of the principal risks and uncertainties facing the group**

The Group faces a range of risks as part of its day to day operations and its corporate activities, these include the impact of general economic downturn, competition and foreign currency risk. Four of the Group's subsidiaries are based and operate outside the Euro area: Butler Safe Technologies S.A. in Switzerland, Butler Safe Technologies Limited in the UK, BST Brazil in Brazil and BST Hong Kong in Hong Kong. The Group's main operational exchange rate risks involve the conversion of the accounts in Swiss Francs ("CHF"), Sterling ("GBP"), Brazilian Real ("BRL") and Hong Kong Dollar ("HKD") of these subsidiaries. The Group is thus exposed to EUR/CHF, EUR/GBP, EUR/BRL and EUR/HKD exchange rate variations.

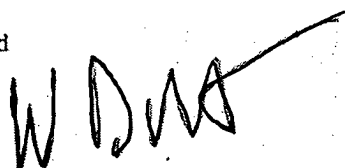
**Analysis of key financial performance indicators**

The key performance indicators recognised by the management are sales and group profit margins.

Consolidated sales have increased by 15% up to €17,749,444. Main contributor is Germany with 42% of global sales.

The operating profit before exceptional expenses amounts to €707,979 corresponding to 4% of sales, compared to 7% last year. After taking into account exceptional expenses, mainly related to investment costs to set up the business in Brazil, the operating profit for 2013 represents 1% of sales, compared to 6% for 2012.

By order of the Board



Mr W Butler, Director

30 May 2014

**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

**DIRECTORS' REPORT**

The Directors submit their report together with the audited financial statements of BST Butler Technologies Limited (the "Group") in respect of the year ending 31 December 2013.

**Results and Dividends**

The consolidated statement of comprehensive income is set out on page 9. The Directors do not recommend a payment of the final dividend for the period.

**Directors**

The Directors of the Company during the period were:

Mr W Butler

Mr V Mathieu

Mrs L Nolan

**Going Concern**

The Directors confirm that they are satisfied that the Group has adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

**Financial Instruments**

Details of the use of financial instruments by the Company and its subsidiaries are contained in Note 1 of the financial statements.

**Future Developments**

The Group intends to continue to grow its business through its established network of subsidiaries in Europe covering 8 countries: Germany, Austria, France, UK, Spain, Switzerland, Ireland and Portugal. The Group also considers development outside Europe, notably in South America through its new subsidiary located in Brazil and reviews acquisition opportunities as well as opening of subsidiaries.

**Statement of Directors' Responsibilities**

The Directors are responsible for keeping proper 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 group and enable them to ensure that the financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also required to prepare financial statements for the Group in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs). The Directors have chosen to prepare financial statements for the Company in accordance with UK Generally Accepted Accounting Practice.

**Group Financial Statements**

International Accounting Standard 1 requires that financial statements present fairly for each financial year the Group's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's "Framework for the preparation and

**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

presentation of financial statements." In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs.

A fair presentation also requires the Directors to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, changes in Accounting Estimates and Errors and then apply them consistently.
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.
- State that the group has complied with IFRS, subject to any material departures disclosed and explained in the financial statements,
- and make judgements and estimates that are reasonable and prudent.

**Parent company financial statements**

Company law requires 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 these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- make judgements and estimates that are reasonable and prudent.
- state whether UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

**Auditors**

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

By order of the Board



Mr W Butler, Director

30 May 2014

**BST BUTLER TECHNOLOGIES LIMITED (Registered number : 08124771)**  
**INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

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We have audited the financial statements of BST Butler Technologies Limited for the period ended 31 December 2013 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Balance Sheet and the related notes. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements (UK GAAP), as applied in accordance with the provision of the Companies Act 2006.

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 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**

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 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 group's and the parent 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 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 group's and of the parent company's affairs as at 31 December 2013 and the group's loss for the period then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**BST BUTLER TECHNOLOGIES LIMITED (Registered number : 08124771)**  
**INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

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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 by the parent company, or returns adequate for our audit have not been received from branches visited by us; or
- the parent company 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.



**David Cox** (*Senior statutory auditor*)

for and on behalf of haysmacintyre, Statutory Auditor

30 May 2014

26 Red Lion Square

London WC1R 4AG

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013

		Year ended 31 December 2013 €	Period ended 31 December 2012 €
	Notes		
Sales	1	17,749,444	15,484,012
Other operating revenues		163,304	159,610
Raw materials and consumables used		(3,805,034)	(2,767,455)
External expenses		(6,709,887)	(6,022,448)
Staff costs		(6,579,848)	(5,451,540)
Amortisation		(272,863)	(162,182)
Depreciation and provisions - Net		362,674	79,910
Other operating expenses	3	(199,811)	(243,125)
<b>Operating profit before exceptional expenses</b>		<b>707,979</b>	<b>1,076,782</b>
Exceptional expenses	4	(505,702)	(117,662)
<b>Operating profit</b>		<b>202,277</b>	<b>959,120</b>
Finance income	5	100,824	704
Finance costs	5	(230,255)	(104,638)
<b>Profit before tax</b>		<b>72,846</b>	<b>855,186</b>
Tax	7	(208,332)	(337,467)
<b>(Loss)/Profit attributable to equity holders of the parent</b>		<b>(135,486)</b>	<b>517,719</b>
<b>Other comprehensive income</b>			
Translation differences on overseas operations		6,049	2,697
<b>Total comprehensive (loss)/ income for the year</b>		<b>(129,437)</b>	<b>520,416</b>

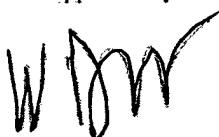
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

	<i>Notes</i>	<b>2013 €</b>	<b>2012 €</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	515,714	455,142
Intangible assets	9	6,442,093	6,011,816
Investments	10	2,500	2,500
Deferred tax assets	7	386,730	397,386
Other receivables	12	54,610	109,071
<b>TOTAL NON-CURRENT ASSETS</b>		<b>7,401,647</b>	<b>6,975,915</b>
<b>CURRENT ASSETS</b>			
Inventories	11	1,300,370	902,566
Trade and other receivables	12	4,824,718	3,011,638
Cash and cash equivalents		582,007	435,384
<b>TOTAL CURRENT ASSETS</b>		<b>6,707,095</b>	<b>4,349,588</b>
<b>TOTAL ASSETS</b>		<b>14,108,742</b>	<b>11,325,503</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Bank overdraft	14	33,428	54,998
Trade and other payables	13	4,723,342	4,355,357
Borrowings	14	46,571	16,556
Corporation tax liabilities		199,241	236,379
<b>TOTAL CURRENT LIABILITIES</b>		<b>5,002,582</b>	<b>4,663,290</b>
<b>NON CURRENT LIABILITIES</b>			
Trade and other payables	15	172,752	270,140
Borrowings	14	6,444,040	3,629,191
Deferred tax liabilities	7	98,438	70,662
Retirement benefit obligations	17	12,491	9,217
Provisions for other liabilities and charges	18	1,494,873	1,670,000
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>8,222,594</b>	<b>5,649,210</b>
<b>TOTAL LIABILITIES</b>		<b>13,225,176</b>	<b>10,312,500</b>
<b>TOTAL NET ASSETS</b>		<b>883,566</b>	<b>1,013,003</b>
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>			
Share capital	19	492,587	492,587
Foreign exchange reserve	20	8,746	2,697
Retained earnings	20	382,233	517,719
<b>TOTAL EQUITY</b>		<b>883,566</b>	<b>1,013,003</b>

The financial statements were approved by the Board of Directors and authorised for issue on 30 May 2014 and were signed on its behalf by:

Mr W Butler, Director



**BST BUTLER TECHNOLOGIES LIMITED (Registered number : 08124771)**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	<b>Share Capital</b> €	<b>Foreign exchange reserves</b> €	<b>Retained earnings</b> €	<b>Total consolidated equity</b> €
<b>On incorporation</b>	-	-	-	-
Translation difference	-	2,697	-	2,697
<b>Profit attributable to equity holders of the parent</b>	-	-	517,719	517,719
Issue of new shares	492,587	-	-	492,587
<b>At December 2012</b>	<b>492,587</b>	<b>2,697</b>	<b>517,719</b>	<b>1,013,003</b>
Translation difference	-	6,049	-	6,049
<b>(Loss) attributable to equity holders of the parent</b>	-	-	(135,486)	(135,486)
<b>At December 2013</b>	<b>492,587</b>	<b>8,746</b>	<b>382,233</b>	<b>883,566</b>

**BST BUTLER TECHNOLOGIES LIMITED (Registered number : 08124771)**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	<b>2013</b>	<b>2012</b>
	<b>€</b>	<b>€</b>
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	72,846	855,184
Adjustments for:		
Depreciation	(172,076)	(353,442)
Amortisation	272,863	162,182
Loss on disposal of property, plant and equipment	(10,129)	14,330
Finance costs	190,492	68,574
Cash inflow from operations before changes in working capital and provisions	353 995	746,828
Increase in inventories	(402,086)	(404,613)
(Increase) / Decrease in trade and other receivables	(652,870)	502,137
Increase in trade receivables – self-financed contracts	(1,134,028)	(874,719)
Increase / (Decrease) in trade and other payables	125,832	(1,662,191)
	<u>(2,063,153)</u>	<u>(2,439,386)</u>
<b>Cash outflow from operations</b>	<b>(1,709,158)</b>	<b>(1,692,558)</b>
Income taxes paid	(205,940)	(59,586)
<b>Cash outflow from operating activities</b>	<b>(1,915,098)</b>	<b>(1,752,144)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(249,085)	(201,800)
Purchase of computer software and other intangible	(501,311)	(358,665)
Proceeds of sales from property, plant and equipment	714	-
Consideration paid on acquisition of subsidiary	-	(943,000)
Cash within subsidiary over which control has been obtained	-	22,640
Increase / decrease in loans and deposits	23 938	224,420
<b>Net cash used in investing activities</b>	<b>(725,743)</b>	<b>(1,256,405)</b>
<b>FINANCING ACTIVITIES</b>		
Issue of ordinary shares	-	1,226
New loan from banks	8,501	-
New loan from Group	3,039,217	3,518,721
Repayment of bank loans	(1,322)	-
Repayment of finance lease	(38,653)	(96,441)
Interest paid	(190,491)	(33,158)
<b>Net cash generated in financing activities</b>	<b>2,817,252</b>	<b>3,390,348</b>
Effects of exchange rate changes	(8,218)	(1,413)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b><u>168,193</u></b>	<b><u>380,386</u></b>
<b>Cash and cash equivalents are made up as follows:</b>		
Cash at bank and in hand	582,007	435,384
Bank overdraft	(33,428)	(54,998)
	<b><u>548,579</u></b>	<b><u>380,386</u></b>

## **1. ACCOUNTING POLICIES**

### **Basis of preparation**

These financial statements have been prepared in accordance with those IFRS standards and IFRIC interpretations issued and effective or issued and early adopted as at the time of preparing these statements (April 2014).

These consolidated financial statements have been prepared under the historical cost convention.

No separate income statement is presented for the parent Company as provided by Section 408, Companies Act 2006.

### **Basis of consolidation**

The Group financial statements consolidate the financial statements of BST Butler Technologies Limited and its subsidiaries (the "Group") for the year ended 31 December 2013.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All inter-company balances and transactions, including unrealised profits arising from them, are eliminated. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

### **Foreign currencies**

Transactions denominated in foreign currencies are translated in Euro at the rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the income statement.

On consolidation, the statement of financial position of overseas operations are translated into Euro at the closing rate of exchange and trading results at the average rate of exchange for the period. These translation differences are dealt with are recognised directly in the foreign exchange reserve.

The presentational and functional currency of the Group is the Euro. The functional currency of the parent company is Euro as the majority of its transactions in that currency. The exchange rate used as at 31 December 2013 was £1=€1.20 (2012 : £1=€1.23).

### **Going concern**

The assumption of continuous operation was used by the Board of Directors in consideration of the following items:

- Assets and subsidiaries acquired in the framework of the bankruptcy of the previous SafeTic Group have enabled a global profitability for the period ended 31 December 2012. The previous bankruptcy was more due to a problem of a growth management than a problem of lack of activity.
- The shareholder brought cash to the companies of the Group in order to finance the relaunch of their activities and their working capital needs through and the investments to extend the activity of the Group.
- The net loss for the year 2013 is due to non-recurring investments to launch the activity overseas, notably in Brazil. The operating result remains highly profitable.

Based on the above, the Directors have prepared the group financial statements on a going concern basis. The financial statements therefore do not include any adjustments that would result if the Group was unable to continue as a going concern. In the event the Group ceased to be a going concern, the adjustments would include writing down the carrying value of assets, including intangible assets and inventories, to their recoverable amount and providing for any further liabilities that might arise.

**BST BUTLER TECHNOLOGIES LIMITED (Registered number : 08124771)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

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**Goodwill**

Business combinations are accounted for under IFRS 3 using the purchase method. Any excess of the cost of business combinations over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised in the balance sheet as goodwill and is not amortised.

After initial recognition, goodwill is not amortised but is stated at cost less any accumulated impairment loss, with the carrying value being reviewed for impairment, at least annually and whenever events or changes in circumstance indicate that the carrying value may be impaired.

For the purposes of impairment testing, goodwill is allocated to the related cash generating units monitored by management. Where the recoverable amount of the cash generating unit is less than its carrying amount, including goodwill, an impairment loss is recognised in the income statement.

**Research and development costs**

According to IAS 38, development costs are recorded as intangible assets only if all of the following criteria have been satisfied:

- (a) Technical feasibility necessary for the completion of the development project
- (b) Intention of the Company to complete the project and put it into operation
- (c) Capacity to use the intangible asset
- (d) Demonstration of the probability of future economic benefits attached to the asset
- (e) Availability of technical, financial and other resources to complete the project, and
- (f) Reliable evaluation of development costs

In pursuance of this standard, the Group has recognised its development costs as intangible assets, which have not been amortised during the year.

**Trademarks**

The costs relating to the acquired trademark are recorded as intangible assets in accordance with the activation criteria specified in IAS 38 for those costs. They are amortised on a straight-line basis over a five year period.

**Software**

Costs relating to the acquisition of software licences are recorded as assets based on the costs incurred to acquire and install the software in question. They are amortised on a straight line basis over a period ranging from 1-3 years.

**Property, plant and equipment**

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs.

Depreciation is provided on all items of property, plant and equipment to write off the carrying value of items over their expected useful economic lives on a straight - line basis. It is applied at the following rates:

- |                                  |              |
|----------------------------------|--------------|
| ▪ Fixture and fittings           | 5 – 10 years |
| ▪ Computer equipment             | 3 years      |
| ▪ Office equipment and furniture | 3 – 5 years  |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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**Leased assets**

Lease agreements for significant tangible fixed assets are classified as financial leases when the Group incurs substantially all the benefits and risks inherent in ownership of the asset. The assets covered under the financial leases are capitalised on the date of origin of the lease based on the fair value of the leased asset or the discounted value of future minimum lease payments, whichever is lower. Each rent is divided between debt and financial cost in order to determine a constant rate of interest on the outstanding capital. The corresponding leasing obligations, net of finance charges, are classified as other long-term debt. The part of the financial expense corresponding to interest is recorded as an expense over the term of the agreement. The fixed asset acquired under a financial lease is amortised over the term of use or the term of the agreement, whichever is shorter.

Lease agreements in which a significant portion of risks and benefits is retained by the lessor are classified as operating leases. Payments for these operating leases, net of any incentives, are recorded as expenses in the income statement on a straight-line basis over the term of the lease.

Tangible and intangible assets with a specific useful life are subject to an impairment test when the recoverability of their book value is in doubt. A loss of value equal to the book value is in doubt. A loss of value equal to the book value minus the recoverable value of the asset is recorded. The recoverable value of an asset corresponds to its fair value minus the disposable costs or its value in use, whichever is higher. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

**Inventories**

Inventories are stated at lower of cost and net realisable value. Cost represents materials, direct labour and appropriate production overheads.

**Cash and cash equivalent**

Cash equivalents are held more for the purpose of handling short-term cash commitments than for investment or other ends. They are easily convertible into a known cash amount and are subject to a negligible risk of changes in value. Cash and cash equivalents are made up of immediately available liquidities, readily available term deposits and short-term investment securities. They are valued according to the IAS 39 categories to which they belong.

Short term investment securities are easily convertible into a known cash amount and are subject to a negligible risk of changes in value. They are valued at their fair value and variations in value are recorded as financial income.

**Financial assets**

The Group classifies its assets into one of the following categories, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

*Fair value through profit or loss:* This category comprises only in-the-money derivatives. They are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive income. Other than derivatives, the Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through the profit and loss account

*Loans and receivables:* These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue and subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The effect of discounting on these financial instruments is not considered to be material.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

### **Financial liabilities**

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. Other than financial liabilities in a qualifying hedging relationship (see below), the Group's accounting policy for each category is as follows:

*Fair value through the profit and loss:* This category comprises only out-of-money derivatives. They are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive income.

*Other financial liabilities:* Other financial liabilities include the following items:

- Trade payables and other short term monetary liabilities, which are recognised at amortised cost.
- Shareholder loans are initially recognised at the amount advanced net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of liability carried in the statement of financial position "Interest expense" in this context includes initial transaction costs and premium payable on redemption, as well as any interest while the liability is outstanding.

### **Deferred taxation**

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the balance sheet differs from its tax base, except for differences arising on:

- the initial recognition of goodwill
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit: and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the differences can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities, and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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**Income taxes**

The tax currently payable is based on taxable profit for the period. Taxable profit differs from the net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the balance sheet date.

**Provisions**

Provisions for risks and litigation correspond to commitments resulting from various disputes and risks for which the final date and amount are uncertain and which the Group may face as part of its activities.

A provision is recorded when the Group has a legal or implicit obligation to a third party resulting from a past event for which it is probable or certain that a withdrawal of funds for the benefit of such party will be caused, without at least an equal amount expected in exchange from such party, and that future liquidity outflows can be estimated reliably.

The amount recorded as a provision is the best estimate of the expenditure necessary to settle the obligation and is discounted if necessary on the date of closing.

**Retirement benefit obligations**

Employees from the French subsidiaries enjoy the retirement benefits provided for by French law:

- receipt of retirement benefit, paid by the Group, at the time of their retirement (defined benefit plan)
- payment of retirement pensions by social security bodies, which are financed by company and employee contributions (state defined contribution plan)

For defined benefit plans, the costs of retirement benefits are estimated using the projected credit unit method. According to this method, the pension cost is recorded as income in order to distribute it evenly over the length of employee service. Retirement commitments are measured at the current value of estimated future payments by applying the rate of return on the highest-grade long-term corporate bonds with maturity dates corresponding to that estimated for the plan. The Group appointed the qualified actuaries to conduct an annual review of the valuation of these plans.

Payments by the Group for defined contribution plans are recorded as expenses in the income statement for the period to which they relate.

**Revenue recognition**

Revenue represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

The Group's business model is to sell its products through Lease agreements, which are usually signed over 5 year period covering the economic life of the equipment. Lease agreements signed with the clients may be kept "in house" and are then treated as Captive contracts and are invoiced by the Group. Lease contract may also be sold to Leasing companies or Banks who then usually directly invoice the clients and take over the cash collection risk.

The sale of products is generally linked with the sale of a maintenance contract. Revenue received from the sale of maintenance contracts is spread over the period covered by the contract. When using financial lessors, revenue generated by maintenance contracts are collected by the lessor on behalf of the Group.

Revenue is recognised when the risks and rewards of owning the goods has passed to the customer which is generally on delivery.

For "self-financed" contracts according to IAS 17 the revenue is recognised for the total amount of the present value of the minimum lease payments due taking into account an implicit interest rate. The difference between the cash received for each lease payment and the accounts receivable initially booked in the balance sheet is recognised as financial gain.

### **Critical accounting estimates and judgments**

The preparation of the financial statements according to IFRS principles makes it necessary to make estimates and formulate assumptions that affect the amounts and information provided in the financial statements. Actual results may turn out to be appreciably different from those estimates based on different assumptions for conditions.

The estimates and judgements that management makes in implementing the accounting methods described above are based on the historical information and other factors, particularly including expectations of future events deemed reasonable under the circumstances. These estimates and judgements are mainly as follows:

- *Inventory provisions* – provisions are made against slow moving stock based on sales and production reports from prior periods. If sales of particular products do not meet past levels there is a risk that stock provisions can be understated.
- *Intangible assets* – are recognised only when it is probable that a project will be a success. There is a risk therefore that a project previously assessed as likely to be successful fails to reach the desired level of

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### **Newly issued accounting standards**

The Group has chosen not to early adopt the following new regulations, amendments and interpretations which have not been adopted by the European Union or which are not applicable as at 31 December 2013.

The standards adopted by the European Union but not mandatory until after 31 December 2013 are:

- Consolidation standards: IFRS 10 – Consolidated Financial Statements, IFRS 11 – Joint Arrangements, - IFRS 12 – Disclosure of interests in other entities, IAS 27 revised – consolidated and separate financial statements , IAS 28 revised – Investments in Associates
- Amendments to transitional arrangements to IFRS 10, 11 and 12 ;
- Amendments to IFRS 10, 12 and IAS 27 " Investment entities " ;
- Amendment to IAS 32 " Offsetting financial assets and liabilities " ;
- Amendments to IAS 39 " Novation of Derivatives and Continuation of Hedge Accounting" ;
- Amendments to IAS 36 " Recoverable Amounts Disclosures for Non-Financial Assets ".

The management does not expect the implementation of these standards to have a significant impact on the consolidated financial statements.

## **Management of capital**

The Directors set the objectives, policies and processes for managing capital for the Group and evaluates the opportunities for raising capital either through debt or equity financing. At 31 December 2013 the Company has increased its debt from the parent company instead of rising the share capital.

## **2. OPERATING PROFIT**

	<b>2013</b>	<b>2012</b>
	<b>€</b>	<b>€</b>
This is stated after charging:		
Depreciation and amortisation – owned assets	234,091	142,697
Depreciation and amortisation –assets under finance leases	38,770	20,115
Write down of inventories to fair value	543	37,177
<u>Auditors' remuneration</u>		
Audit of parent company and group accounts	15,600	14,705
Audit of subsidiaries	5,580	4,900
Tax and other services	4,620	10,900
Operating lease rentals		
Plant and machinery	485,471	425,433
Land and buildings	631,379	564,313
Foreign exchange losses	<u>(38,265)</u>	<u>4,767</u>

## **3. OTHER OPERATING EXPENSES**

	<b>2013</b>	<b>2012</b>
	<b>€</b>	<b>€</b>
Bad debts written off	306,359	428,249
Other operating income	<u>(106,548)</u>	<u>(185,124)</u>
	<u>199,811</u>	<u>243,125</u>

## **4. EXCEPTIONAL EXPENSES**

	<b>2013</b>	<b>2012</b>
	<b>€</b>	<b>€</b>
Litigation costs	-	68,000
Restructuring costs in Ireland	206,715	-
Implementation cost in Brazil	214,978	-
Other exceptional expenses	84,009	49,662
	<u>505,702</u>	<u>117,662</u>

## **5. NET FINANCE COSTS**

	<b>2013</b>	<b>2012</b>
	<b>€</b>	<b>€</b>
On shareholders loans	188,658	49,584
On finance leases	1,893	1,356
Other finance expense	39,704	53,698
	<u>230,255</u>	<u>104,638</u>
Interest receivable	<u>(100,824)</u>	<u>(704)</u>
	<u>129,431</u>	<u>103,934</u>

## 6. STAFF COSTS

	2013 €	2012 €
Staff costs for all employees during the period, including the directors, were as follows:		
Wages and salaries	5,414,309	4,656,882
Social security costs	1,165,539	794,658
	<u>6,579,848</u>	<u>5,451,540</u>

During the year Directors received remuneration totalling € Nil (2012 - € Nil).

	2013 €	2012 €
The average monthly number of employees during the year, was as follows:		
Managers	19	16
Employees	157	139
Other	3	2
	<u>179</u>	<u>157</u>

## 7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2013 €	2012 €
<b>(a) The tax charge for the year:</b>		
UK Corporation tax	-	-
Overseas corporation tax	171,760	147,543
Deferred tax charge	36,572	189,924
Total income tax	<u>208,332</u>	<u>337,467</u>
<b>(b) The tax reconciliation is as follows:</b>		
Profit on ordinary activities before tax	72,846	855,186
Profit on ordinary activities at the tax rate of 20% (2012 – 23%)	14,569	196,692
Effects of:		
Tax credit or flat tax	66,921	57,093
Permanent differences	(40,611)	(1,939)
Income tax rates differences between countries	166,853	63,195
Deferred tax asset not activated on tax losses	44,604	15,519
Other	(44,004)	6,907
Tax charge for the year	<u>208,332</u>	<u>337,467</u>

### (c) Factor which may affect future tax charges

As at the year end, there were no factors which may affect future tax charges.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 €	2012 €
<b>(d) Deferred tax - group</b>		
The deferred tax included in the balance sheet is as follows:		
Deferred tax asset	386,730	397,386
Deferred tax liability	(98,438)	(70,662)
	<u>288,292</u>	<u>326,724</u>

**8. TANGIBLE ASSETS**

	Machinery and equipment €	Other assets €	Total €
<b>Cost</b>			
Additions	112,516	217,525	330,041
On acquisition of subsidiaries	187,504	468,515	656,019
Exchange rate movement	-	(419)	(419)
Disposals	(45,383)	(25,922)	(71,305)
<b>At 31 December 2012</b>	<u><b>254,637</b></u>	<u><b>659,699</b></u>	<u><b>914,336</b></u>
Additions	165,493	103,073	268,566
Exchange rate movement	(5,638)	(2,758)	(8,396)
Disposals	(33,677)	(11,092)	(44,769)
<b>At 31 December 2013</b>	<u><b>380,815</b></u>	<u><b>748,922</b></u>	<u><b>1,129,737</b></u>
<b>Depreciation</b>			
On acquisition of subsidiaries	133,791	270,305	404,096
Charge for the period	24,261	87,886	112,147
Exchange rate movement	-	(73)	(73)
On disposal	(40,573)	(16,403)	(56,976)
<b>At 31 December 2012</b>	<u><b>117,479</b></u>	<u><b>341,715</b></u>	<u><b>459,194</b></u>
Charge for the period	56,883	108,333	165,216
Exchange rate movement	(170)	(255)	(425)
On disposal	(4,180)	(5,782)	(9,962)
<b>At 31 December 2013</b>	<u><b>170,012</b></u>	<u><b>444,011</b></u>	<u><b>614,023</b></u>
<b>Net Book Value</b>			
At December 2012	<u>137,158</u>	<u>317,984</u>	<u>455,142</u>
<b>At December 2013</b>	<u><b>210,803</b></u>	<u><b>304,911</b></u>	<u><b>515,714</b></u>

	2013 €	2012 €
The net book value of assets held under finance leases, included above, is as follows:		
Other assets	<u>105,023</u>	<u>126,464</u>

**9. INTANGIBLE ASSETS**

	<b>Trademarks and licences €</b>	<b>Development expenditure €</b>	<b>Goodwill €</b>	<b>Total €</b>
<b>Cost</b>				
Additions	197,200	23,327	5,355,130	5,575,657
Acquisition of subsidiaries	349,135	156,739	-	505,874
Exchange rate movement	(221)	-	-	(221)
Disposals	(4,988)	-	-	(4,988)
<b>At 31 December 2012</b>	<b>541,126</b>	<b>180,066</b>	<b>5,355,130</b>	<b>6,076,322</b>
Additions	84,475	416,836	44,222	545,533
Exchange rate movement	(718)	(8,760)	-	(9,478)
Disposals	(17,662)	-	-	(17,662)
<b>At 31 December 2013</b>	<b>607,221</b>	<b>588,142</b>	<b>5,399,352</b>	<b>6,594,715</b>
<b>Depreciation</b>				
On acquisition of subsidiaries	19,680	-	-	19,680
Charge for the period	50,035	-	-	50,035
Exchange rate movement	(221)	-	-	(221)
On disposal	(4,988)	-	-	(4,988)
<b>At 31 December 2012</b>	<b>64,506</b>	<b>-</b>	<b>-</b>	<b>64,506</b>
Charge for the period	79,689	27,956	-	107,645
Exchange rate movement	(718)	(1,151)	-	(1,869)
On disposal	(17,662)	-	-	(17,662)
<b>At 31 December 2013</b>	<b>125,815</b>	<b>26,807</b>	<b>-</b>	<b>152,620</b>
<b>Net Book Value</b>				
At December 2012	476,620	180,066	5,355,130	6,011,816
<b>At December 2013</b>	<b>481,406</b>	<b>561,335</b>	<b>5,399,352</b>	<b>6,442,093</b>

The development expenditure capitalised principally relates to developing the products and are amortised when marketed.

Goodwill has been allocated to the subsidiaries' cash generation units for impairment testing purposes. The recoverable amount has been determined based on a value in use calculation using risk-adjusted cash flow projections based on financial budgets prepared by the Group. At the year-end no impairment provision was required. The goodwill allocation is as follows:

	<b>SafeTIC AG</b>	<b>SafeTIC GmbH</b>	<b>Other subsidiaries</b>	<b>Total</b>
	<b>Germany</b>	<b>Austria</b>		
At 31 Dec 2012	3,184,566	673,133	1,497,431	5,355,130
Movements			44,222	44,222
At 31 Dec 2013	3,184,566	673,133	1,541,653	5,399,352

The movement is related to the reallocation of goodwill during the valuation period of 12 months following the date of acquisition.

## **10. INVESTMENTS**

The Group's investment relates to 10% held in Biofive GmbH.

## **11. INVENTORIES**

	<b>2013</b>	<b>2012</b>
	<b>€</b>	<b>€</b>
Raw materials	683,320	304,862
Finished goods	54,444	61,321
Goods for resale	562,606	536,383
	<u>1,300,370</u>	<u>902,566</u>

## **12. TRADE AND OTHER RECEIVABLES**

	<b>2013</b>	<b>2012</b>
	<b>€</b>	<b>€</b>
<b>Non-current</b>		
Other receivables	54,610	109,071
Trade receivables	2,302,340	1,484,789
Amounts receivable under finance leases	2,008,747	821,786
Prepayments	92,193	173,318
Other receivables	421,438	531,745
	<u>4,824,718</u>	<u>3,011,638</u>

## **13. TRADE AND OTHER PAYABLES (CURRENT)**

	<b>2013</b>	<b>2012</b>
	<b>€</b>	<b>€</b>
Accounts payable	2,987,501	3,270,356
Staff and social security payable	500,472	482,575
Other taxes payable	597,645	366,164
Other liabilities	507,072	137,900
Accruals and deferred revenues	130,652	98,362
	<u>4,723,342</u>	<u>4,355,357</u>

## **14. BORROWINGS**

	<b>2013</b>	<b>2012</b>
	<b>€</b>	<b>€</b>
<b>Non-current</b>		
Bank loan	1,515	-
Finance lease liabilities	64,835	110,520
Shareholder loans	6,377,690	3,518,671
	<u>6,444,040</u>	<u>3,629,191</u>
<b>Current</b>		
Bank loan – current portion	5,664	-
Bank overdrafts	33,428	54,998
Finance lease liabilities	40,907	16,556
	<u>79,999</u>	<u>71,554</u>

Shareholder loans relate to the unsecured loans advanced by the parent company, Butler Management Limited, and the ultimate company, WB Finance & Partenaires, and is subject to 3.5% annual interest.

### **Finance lease liabilities**

Lease liabilities are secured as the rights to the leased assets revert to the lessor in the event of default.

### **Gross finance lease liabilities – minimum lease payments**

	<b>2013</b>	<b>2012</b>
	<b>€</b>	<b>€</b>
No later than 1 year	42,309	43,480
Later than 1 year and no later than 5 years	65,803	109,926
Future finance charges on finance leases	(2,543)	(26,330)
<b>Present value of finance lease liabilities</b>	<u>105,569</u>	<u>127,076</u>

## **15. TRADE AND OTHER PAYABLES (NON – CURRENT)**

	<b>2013</b>	<b>2012</b>
	<b>€</b>	<b>€</b>
Other payables	<u>172,752</u>	<u>270,140</u>

## **16. FINANCIAL INSTRUMENTS**

The group's main financial instruments are comprised of financial assets, loans and cash. The goal of the management of these instruments is the funding of the group's business activities. Group policy prohibits subscribing for financial instruments for speculative purposes. The Company does not use any financial derivative instruments.

**Exchange rate risk**

Only four subsidiaries are based outside the Euro area: Butler Safe Technologies S.A. in Switzerland, Butler Safe Technologies Limited UK in the UK., BST Brazil in Brazil and BST Hong Kong in Hong Kong. The purpose of these subsidiaries is to distribute and market the Group's products in these countries except for Hong Kong where the purpose is also to find new products and new manufacturers.

The Group's main operational exchange rate risks involve the conversion of the accounts in Swiss Francs ("CHF"), sterling ("GBP"), Brazilian Real ("BRL") and Hong Kong Dollar ("HKD") of these subsidiaries. The Group is thus exposed to exchange rate variations in these currencies.

The effect of an exchange rate variation should not impact materially the Group's earnings and shareholders' equity.

The main exchange rate risks for investments made in the subsidiary in foreign currency (current accounts) are not considered to be significant for shareholders' equity.

At this stage of development, the Group has not made hedging provisions to protect its business activities against fluctuations in exchange rates. However, the Group cannot rule out that a significant increase in its activity could force it to increase its exposure to exchange rate risks. If that happens, the Group will consider the adoption of a suitable policy to hedge those risks.

**Interest rate risk**

The Group's exposure to interest rate risk primarily affects cash equivalents and investment securities. These consist of money market funds and term deposits. Changes in interest rates have a direct impact on the rate of return on those investments and the cash flows generated.

As of 31 December 2013, the Group's financial debt is not subject to interest rate risk because it relates to a loan from the parent company, on which an interest rate has been agreed.

As of this date, the Group has not contracted loans from credit institutions and therefore has very low exposure to interest rate risk.

**Credit risk**

With respect to its clients, the Group does not have a significant concentration of credit risk. The Group's main client is notably the leasers of many end clients. The Group has implemented policies that provide assurances that its clients have an appropriate credit-risk history.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2013 €	2012 €
Trade and other receivables	4,824,718	3,011,338
Cash and cash equivalents	582,007	435,384
	<u>5,406,725</u>	<u>3,446,722</u>

**Geographic region: mainly in Europe**

The Group policy is to make a provision against those debts that are overdue, unless there are grounds for believing that all or some of the debts will be collected. During the year the value of provisions made in respect of bad and doubtful debts was €92,437, which represented 0.5% of revenue.

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

The Group records impairment losses on its trade receivables separately from gross receivables. The movements on this allowance account during the year are summarised below:

	<b>2013</b>
	<b>€</b>
At 31 December 2012	1,086,864
Increase in provisions	92,437
Written off against provisions	(253,094)
Currency difference	(226)
<b>At 31 December 2013</b>	<b>925,981</b>

The main factor used in assessing the impairment of trade receivables is the age of the balances and the circumstances of the individual customer.

	<b>2013</b>	<b>2012</b>
	<b>€</b>	<b>€</b>
<b>Liquidity risk</b>		
Trade and other payables	5,095,336	4,862,292
Shareholder loan	6,377,690	3,518,671
Bank loan	7,179	-
Finance lease liabilities	105,742	126,076
Bank overdraft	33,428	55,583
	<b>11,619,375</b>	<b>8,562,622</b>

**Interest rate risk**

The Group finances its business through a shareholder loan. As a consequence, the interest rate risk is managed by the Group.

**Foreign currency risk**

The Group's main foreign currency risk is the short term risk associated with accounts receivable and payable denominated in currencies that are not the subsidiaries functional currency. The risk arises on the difference in the exchange rate between the time invoices are raised/received and the time invoices are settled/paid. For sales denominated in foreign currencies the Group ensures that the purchases associated with the sale are in the same currency through the implementation of subsidiaries in the related countries (Switzerland, the UK, Brazil and Hong Kong).

All monetary assets and liabilities of the Group are denominated in euros with the exception of the following items which are denominated in GBP, CHF, BRL and HKD, and which are included in the financial statements at the euro value based on the exchange rate ruling at the statement of financial position date.

The following table shows the net liabilities in CHF, GBP, BRL and HKD exposed to exchange rate risk that the Group has at 31 December 2013:

	<b>2013</b>	<b>2012</b>
	<b>€</b>	<b>€</b>
Trade receivables	872,528	368,672
Cash and cash equivalents	225,991	210,794
Trade payables	(1,550,338)	(865,855)
Finance lease liabilities	(105,742)	(127,076)
	<b>(557,561)</b>	<b>(413,465)</b>

The effect of a strengthening of 10% in the rate of exchange in the currencies against euro at the statement of financial position date would have resulted in an estimated net increase in pre-tax profit for the year and an increase in net assets of €29,740 and the effect of a weakening of 10% in the rate of exchange in the currencies against euro at the statement of financial position date would have resulted in an estimated net decrease in pre-tax profit for the year and a decrease in net assets of approximately €36,350.

## 17. RETIREMENT BENEFIT OBLIGATIONS

	2013 €	2012 €
Pension plan provisions	<u>12,491</u>	<u>9,217</u>

The Group operates defined benefit pension plans for its employees of the French subsidiaries.

For defined benefit plans, the costs of retirement benefits are estimated using the projected credit unit method. According to this method, the pension cost is recorded as expense in order to distribute it evenly over the length of employee service. Retirement commitments are measured at the current value of estimated future payments by applying the rate of return on the highest-grade long-term corporate bonds with maturity dates corresponding to that estimated for the plan. The Group appointed the qualified actuaries to conduct an annual review of the valuation of these plans.

## 18. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

	Lessor buy back €	Bundle contracts buy back €	Maintenance provision €	Total €
At 31 December 2012	360,000	518,000	792,000	1,670,000
Increase in provisions	-	-	154,652	154,652
Written off against provisions	(65,000)	(185,000)	(80,000)	(330,000)
Currency difference	-	-	221	221
<b>At 31 December 2013</b>	<u><b>295,000</b></u>	<u><b>333,000</b></u>	<u><b>866,873</b></u>	<u><b>1,494,873</b></u>

### a. Lessor buy back provision

The provision covers the financial risk on some contracts financed by party lessors, which includes buy back obligations for the Group if the end client fails to meet the monthly payment obligations.

### b. Bundle contracts buy back provision

This provision covers the financial risk on contracts sold to third party lessors where the Group collects the monthly rental directly from the clients and is liable to the lessors for their payment. This provision is determined using the cash collection performance on each of the contracts concerned and takes into account the residual life of the contracts.

## **19. SHARE CAPITAL**

	<b>2013</b> €	<b>2012</b> €
<b>Allotted issued and fully paid</b>		
402,000 Ordinary shares of £1 each	<u>492,587</u>	<u>492,587</u>

## **20. RESERVES**

Full details of movements in reserves are set out in the consolidated statement of changes in equity on page 10. The following describes the nature and purpose of each reserve within owners' equity.

<b>Reserve</b>	<b>Description and Purpose</b>
Foreign exchange	Gains/losses from the retranslation of net assets of overseas operations into euros
Retained earnings	Cumulative net gains and losses recognised in the consolidated income statement.

## **21. LEASING COMMITMENTS**

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2013		2012	
	€		€	
	<i>Lands and building</i>	Other	<i>Lands and building</i>	Other
No later than 1 year	299,488	120,218	326,526	48,494
Later than 1 year and no later than 5 years	435,667	97,667	327,797	41,839

## **22. RELATED PARTY TRANSACTIONS**

As at December 2013, the company owed €6,377,690 (2012 : €3,518,671) to Butler Management Limited, its immediate parent company in respect of the shareholder loans. Interest accruing on these loans amounting to €152,161 (2012 : €35,416) has been included in the accruals as at the year end.

## **23. ULTIMATE CONTROLLING AND PARENT UNDERTAKING**

The immediate parent undertaking is Butler Management Limited, a company incorporated in England and Wales. The ultimate parent undertaking is WB Finance et Partenaires SA, a company incorporated in France.

The ultimate controlling party is considered to be W Butler.

**COMPANY BALANCE SHEET**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

	<i>Notes</i>	<b>2013 €</b>	<b>2012 €</b>
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
Investments	3	1,693,358	1,186,334
Intangible assets	4	<u>211,030</u>	<u>183,667</u>
<b>TOTAL FIXED ASSETS</b>		<u><b>1,904,388</b></u>	<u><b>1,370,001</b></u>
<b>CURRENT ASSETS</b>			
Debtors	5	4,085,507	2,459,192
Cash and cash in hand		<u>39,435</u>	<u>1,216</u>
<b>TOTAL CURRENT ASSETS</b>		<u><b>4,124,942</b></u>	<u><b>2,460,408</b></u>
<b>CREDITORS: amounts falling due within one year</b>	6	(260,682)	(162,024)
<b>NET CURRENT ASSETS</b>		<b>3,864,260</b>	<b>2,298,384</b>
<b>CREDITORS: amounts falling due after one year</b>	7	(5,699,046)	(3,302,907)
<b>NET ASSETS</b>		<u><b>69,602</b></u>	<u><b>365,478</b></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	492,587	492,587
Profit and loss account		(422,985)	(127,109)
<b>TOTAL EQUITY</b>	9	<u><b>69,602</b></u>	<u><b>365,478</b></u>

The financial statements were approved by the Board of Directors and authorised for issue on and were signed on its behalf by:

W Butler

30 May 2014

**BST BUTLER TECHNOLOGIES LIMITED (Registered number : 08124771)**  
**COMPANY BALANCE SHEET**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

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**1. ACCOUNTING POLICIES**

The following accounting policies have been applied consistently 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 UK accounting standards and under the historical cost convention. The accounts have been prepared on the going concern basis.

**Profit and loss account**

Under section 408(4) of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account. The loss for the year ended 31 December 2013 is disclosed in Note 9.

**Investments in subsidiaries**

Investments in subsidiaries are stated at cost less amounts provided for impairment.

**Intangible fixed assets**

The costs relating to the acquired trademark are recorded as intangible assets in accordance with the activation criteria specified in IAS 38 for those costs. They are amortised on a straight-line basis over a five years period.

Development costs relating to the new CRM system are amortised on a straight-line basis over a three year period.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into Euros at closing rates of exchange.

**Other financial liabilities**

Other financial liabilities include the following items:

- Amounts owed by group undertakings and other creditors, which are recognised at amortised cost.

**2. STAFF COSTS**

There were no employees during the period.

**3. INVESTMENTS**

	<b>Group undertaking €</b>
<b>Cost</b>	
At 31 December 2012	1,186,334
Additions	507,024
<b>At 31 December 2013</b>	<b><u>1,693,358</u></b>

**COMPANY BALANCE SHEET**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

During the period the company set up the following subsidiaries:

<b>Company name</b>	<b>% interest held</b>	<b>% share capital held</b>	<b>Country of incorporation</b>
BST Brazil	100%	100%	Brazil
BST Hong Kong	100%	100%	Hong Kong
BST Proteccion y Seguridad	100%	100%	Spain

**4. INTANGIBLE ASSETS**

	<b>Development costs €</b>	<b>Trademarks €</b>	<b>Total €</b>
<b>Cost</b>			
At 31 December 2012	-	190,000	190,000
Additions	65,000	3,974	68,974
<b>At 31 December 2013</b>	<b>65,000</b>	<b>193,974</b>	<b>258,974</b>
<b>Amortisation</b>			
At 31 December 2012	-	6,333	6,333
Charge for the period	3,611	38,000	41,611
<b>At 31 December 2013</b>	<b>3,611</b>	<b>44,333</b>	<b>47,944</b>
<b>Net Book Value</b>			
At December 2012	-	183,667	183,667
At December 2013	61,389	149,641	211,030

**5. DEBTORS**

	<b>2013 €</b>	<b>2012 €</b>
Trade debtors	91,642	-
Amounts owed by group undertakings	3,653,820	2,197,072
Other debtors	340,045	262,120
	<b>4,085,507</b>	<b>2,459,192</b>

Included in amounts owed by group undertakings above is €3,433,373 (2012: €2,077,034) due after more than one year.

**BST BUTLER TECHNOLOGIES LIMITED (Registered number : 08124771)**  
**COMPANY BALANCE SHEET**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

**6. CREDITORS: Amounts falling due within one year**

	<b>2013</b> <b>€</b>	<b>2012</b> <b>€</b>
Trade creditors	29,954	4,206
Other creditors	187,578	35,416
Accruals	43,150	122,402
	<u>260,682</u>	<u>162,024</u>

**7. CREDITORS: Amounts falling due after more than one year**

	<b>2013</b> <b>€</b>	<b>2012</b> <b>€</b>
Amounts owed to Parent undertakings	<u>5,699,046</u>	<u>3,302,907</u>

**8. SHARE CAPITAL**

	<b>2013</b> <b>€</b>	<b>2012</b> <b>€</b>
Allotted issued and fully paid 402,000 Ordinary shares of £1 each	<u>492,587</u>	<u>492,587</u>

**9. RESERVES**

	<b>Share Capital</b> <b>€</b>	<b>Profit &amp; Loss</b> <b>Account</b> <b>€</b>	<b>Total</b> <b>€</b>
At 31 December 2012	492,587	(127,109)	365,478
Loss for the period	-	(295,876)	(295,876)
At 31 December 2013	<u>492,587</u>	<u>(422,985)</u>	<u>69,602</u>