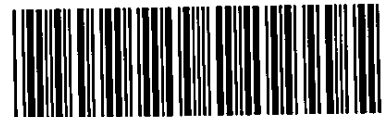


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**PRIME INTERACTION LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING 31st JULY 2010**

THURSDAY



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COMPANIES HOUSE

**Prime Interaction Limited****Directors**

Robin Fisher  
Laila Aziz  
Barry Stiefel

**Secretary and Registered Office**

Cornhill Secretaries Limited  
150 Aldersgate Street, London, EC1A 4AB

**Registered Number**

04102260

**Report of the Directors**

The directors present their report and the financial statements for the year ending 31st July 2010

**Review of Activities**

The principal activity of the company continued to be the provision of interactive monitoring for the electronic security industry, design, installation and maintenance of CCTV, access control and system integration

In addition the company is a holding company for a group of companies involved in the security industry

**Results and Dividends**

The loss for the financial year after taxation amounted to £89,782 (2009 profit of £89,411)

The directors do not recommend the payment of a dividend for the year

**Directors**

The directors who held office during the year were as follows

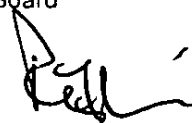
Robin Fisher  
Laila Aziz  
Barry Stiefel

This report has been prepared in accordance with the special provisions of section 477 of the Companies Act 2006 relating to small companies

By Order of the Board

R FISHER

Director



**Chartered Accountants' Report to the Board of Directors on the Unaudited Financial Statements of Prime Interaction Limited**

In accordance with the engagement letter dated 30 April 2010, and in order to assist you to fulfill your duties under the Companies Act 2006, we have compiled the company's financial statements which are set out on pages 3 to 10 from the accounting records and information and explanations you have given to us

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body, for our work or for this report.

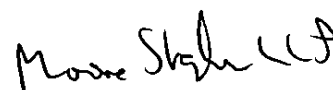
We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet for the year ended 31st July 2010 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 2006. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

150 Aldersgate Street  
London  
EC1A 4AB

27 April 2011



MOORE STEPHENS LLP

Chartered Accountants

**Prime Interaction Limited**

**Profit and Loss Account  
For the year ending 31st July 2010**

	<u>Note</u>	<u>2010</u>	<u>2009</u>
<b>Turnover</b>	2	234,645	398,620
Cost of sales		(126,575)	(105,208)
<b>Gross Profit</b>		108,070	293,412
Net operating expenses	3	(197,865)	(204,197)
<b>Operating (Loss)/Profit</b>	4	(89,795)	89,215
Bank interest receivable		12	196
Interest paid		-	-
<b>(Loss)/Profit on Ordinary Activities before Taxation</b>		(89,783)	89,411
Tax on profit/(loss) on ordinary activities	6	-	-
<b>(Loss)/Profit for the Financial Period</b>		(89,783)	89,411
<b>Accumulated Loss at 31st July 2009</b>		(1,773,351)	(1,911,078)
<b>Accumulated Loss at 31st July 2010</b>		£ (1,863,134)	£ (1,773,351)

The profit and loss account has been prepared on the basis that all operations are continuing

There are no recognised gains or losses other than those included in the profit and loss account

**Prime Interaction Limited**

**Balance Sheet - 31st July 2010**

	<u>Note</u>	<u>2010</u>	<u>2009</u>
<b>Fixed Assets</b>			
Tangible assets	7	10,144	-
Investments	8	661,347	661,347
		<u>671,491</u>	<u>661,347</u>
<b>Current Assets</b>			
Debtors	9	276,726	316,834
Cash at bank and in hand		27,365	10,009
		<u>304,091</u>	<u>326,843</u>
<b>Creditors, amounts falling due within one year</b>	10	<u>(68,286)</u>	<u>(15,150)</u>
<b>Net Current Assets</b>		<u>235,805</u>	<u>311,693</u>
<b>Total Assets Less Current Liabilities</b>		<u>£ 907,296</u>	<u>£ 973,040</u>
<b>Creditors, amounts falling due after one year</b>	11	30,101	2,646,391
<b>Capital and Reserves</b>			
Called up share capital	12	100,000	100,000
Capital Contribution	13	2,640,329	-
Profit and loss account		<u>(1,863,134)</u>	<u>(1,773,351)</u>
<b>Shareholders' Funds (Deficit)</b>		<u>877,195</u>	<u>(1,673,351)</u>
		<u>£ 907,296</u>	<u>£ 973,040</u>

For the year ended 31 July 2010, the company was entitled to exemption from audit under section 477 of the Companies Act 2006. The directors confirm that the members have not required the company to obtain an audit of its accounts for the year ended 31 July 2010 in accordance with section 476 of the Companies Act 2006. The Directors acknowledge their responsibilities for ensuring that the company keeps proper accounting records which comply with s386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year and of its profit or loss for the financial year in accordance with the requirements of s394 and s395 and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board on 28 April 2011

  
 R FISHER Director

The notes on pages 5 to 10 form part of these financial statements

**Prime Interaction Limited**

**Financial Statements for the year ending 31st July 2010**

**Notes**

**1 Principal Accounting Policies**

**(a) Basis of accounting**

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The company has taken exemption from the requirement to prepare group accounts on the grounds that the group is small.

**(b) Turnover**

Turnover represents income receivable by the company, excluding Value Added Tax, in respect of services provided in the year.

**(c) Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation has been provided to write off the costs less estimated residual values of the assets over their estimated useful lives on a straight-line basis at the following rates:

Control room equipment	25% per annum
Office equipment	25% per annum
Furniture and fixtures	25% per annum

**(d) Investments**

Investments are held at cost less provision for permanent diminution.

**(e) Deferred taxation**

Deferred taxation is provided at current rates on all timing differences using the liability method. Deferred taxation assets are only recognised where, in the opinion of the directors, there is a reasonable probability that they can be recovered in the foreseeable future.

**(f) Operating leases**

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

**2 Turnover**

All turnover of the company is generated in the United Kingdom.

**Prime Interaction Limited**

**Financial Statements for the year ending 31st July 2010**

**Notes (Continued)**

**3 Net Operating Expenses**

	<u>2010</u>	<u>2009</u>
Administrative expenses	197,864	204,197
	£ 197,864	£ 204,197

**4 Operating (Loss)/Profit**

	<u>2010</u>	<u>2009</u>
Operating (loss)/profit is stated after charging		
Depreciation of tangible fixed assets	3,381	1,611

**5 Staff Costs**

(a) Directors' Emoluments

	<u>2010</u>	<u>2009</u>
Emoluments in respect of qualifying services	92,000	92,000
	£ 92,000	£ 92,000

(b) Staff costs during the year, including directors, amounted to

	<u>2010</u>	<u>2009</u>
Wages and salaries	218,125	187,285
Social security costs	18,116	20,736
	£ 236,241	£ 208,021

**6 Tax on Loss on Ordinary Activities**

No United Kingdom corporation tax is payable due to the loss brought forward. A deferred tax asset in respect of tax losses carried forward of £1,703,000 (2009 £1,615,180) has not been recognised in these accounts due to the uncertainty as to whether these can be utilised in the foreseeable future.

**Prime Interaction Limited**

**Financial Statements for the year ending 31st July 2010**

**Notes (Continued)**

**7 Tangible Fixed Assets**

	<u>Control Room Equipment</u>	<u>Office Equipment</u>	<u>Furniture and Fixtures</u>	<u>Total</u>
Cost				
As at 1st August 2009	52,531	32,335	1,206	86,072
Additions	-	-	13,525	13,525
	<hr/>	<hr/>	<hr/>	<hr/>
As at 31st July 2010	<u>52,531</u>	<u>32,335</u>	<u>14,731</u>	<u>99,597</u>
Depreciation				
As at 1st August 2009	52,531	32,225	1,206	86,072
Charge for the period	-	-	3,381	3,381
	<hr/>	<hr/>	<hr/>	<hr/>
As at 31st July 2010	<u>52,531</u>	<u>32,335</u>	<u>4,587</u>	<u>89,453</u>
Net book value				
As at 31st July 2010	£ -	£ -	£ 10,144	£ 10,144
	<hr/>	<hr/>	<hr/>	<hr/>
As at 1st August 2009	£ -	£ -	£ -	£ -
	<hr/>	<hr/>	<hr/>	<hr/>

**8 Investments**

	<u>Shares in Subsidiary Undertakings</u>	<u>Other investments</u>	<u>Total</u>
At 31st July 2009 and 31st July 2010	£ 444,082	£ 217,265	£ 661,347
	<hr/>	<hr/>	<hr/>



**Prime Interaction Limited**

**Financial Statements for the year ending 31st July 2010**

**Notes (Continued)**

**8 Investments (Continued)**

**Subsidiary Companies**

<u>Name</u>	<u>Class of Capital</u>	<u>Proportion Held</u>	<u>Aggregate Share Capital and Reserves</u>	<u>Profit for the Period</u>
Cougar Monitoring Limited	Ordinary shares	70%	256,042	41,660
	Convertible preference shares	70%	147	N/A
Zicam Integrated Securities Limited	Ordinary shares	51%	98,479	42,868
	Convertible preference shares	50%	8,000	N/A

Aggregate share capital and reserves and profit for the period disclosed above relate to the year to 31<sup>st</sup> July 2010

The principal activities of Cougar Monitoring Limited are monitoring of closed circuit television systems and the provision of security services

The principal activity of Zicam Integrated Securities Limited is that of closed circuit television surveillance supply and installation

**Other investments**

Other investments represent a 50% interest in the ordinary share capital of Bridge Security (CCTV) Limited. Agreement has been reached for the eventual disposal of this investment and in the opinion of the directors they are now no longer able to exert significant influence over this company

**9 Debtors**

	<u>2010</u>	<u>2009</u>
Trade debtors	-	32,045
Amounts owed by related parties	276,726	278,806
Other Debtors	-	5,983
	<u>£ 276,726</u>	<u>£ 316,834</u>

Balances due from related parties are repayable after one year

**10 Creditors amounts falling due within one year**

	<u>2010</u>	<u>2009</u>
Bank overdraft	-	635
Trade creditors	4,532	5,833
Other creditors	63,754	8,682
	<u>£ 68,286</u>	<u>£ 15,150</u>

**Prime Interaction Limited**

**Financial Statements for the year ending 31st July 2010**

**Notes (Continued)**

**11 Creditors, amounts falling due after one year**

	<u>2010</u>	<u>2009</u>
Director's loan account	30,101	30,926
Subordinated loan due to parent company	-	2,615,465
	<u>£ 30,101</u>	<u>£ 2,646,391</u>

Interest payable at the rate of 6% per annum on the subordinated loan note has been waived

**12 Share Capital**

	<u>2010</u>	<u>2009</u>
Allotted, called up and fully paid 100,000 ordinary shares of £1 each	<u>£ 100,000</u>	<u>£ 100,000</u>

**13 Capital Contributions**

The parent company has agreed to convert its loan to redeemable preference shares. This event took place after the year end. As at 31<sup>st</sup> July 2010, this capital increase has been recorded as a capital contribution.

**14 Related Parties**

The company's immediate parent company is Prime Interaction Holdings Limited, a company registered in the British Virgin Islands. At the year end the company owed £Nil (2009 £2,615,464) to Prime Interaction Holdings Limited.

In the opinion of the directors, the ultimate control of the company rests with the Merrowdown Trust.

At the year end the company was owed £275,361 (2009 £250,441) by Cougar Monitoring Limited, a subsidiary company. The company charged Cougar Monitoring Limited £121,996 (2009 £239,246) for management services provided.

During the year Mrs L. Aziz, a director of the company, received £nil (2009 £12,000) for accounting and administration services provided to the company.

The company was charged £20,000 for accommodation and related services by Jaguar Corporation Limited, a company owned by Mr R. Fisher.

At the year end the company owed £30,101 (2009 £30,926) to Mr R. Fisher, a director of Prime Interaction Limited.

For Information of Management Only

**Prime Interaction Limited****Detailed Profit and Loss Account  
For the year ending 31st July 2010**

	<u>2010</u>	<u>2009</u>
<b>Turnover</b>	234,645	398,620
Operator salaries	(126,575)	(105,208)
<b>Gross Profit</b>	108,070	293,412
<b>Administration Expenses</b>		
Staff costs	109,865	103,011
Advertising	10	-
Cleaning	325	57
Insurance	3,902	8,267
Motor expenses	4,083	7,435
Travelling and entertainment	16,505	14,958
Printing, postage and stationery	4,207	2,035
Telephone	8,291	10,161
Legal and professional fees	16,571	26,122
Accommodation and ancillary services	20,000	20,000
Repairs, maintenance and testing	4,666	4,796
Computer expenses	1,353	1,795
Depreciation of tangible fixed assets	3,381	1,611
Subscriptions and donations	3,906	2,944
Car Hire	103	309
Bank charges	697	696
	<u>(197,865)</u>	<u>(204,197)</u>
<b>Operating Loss</b>	(89,795)	89,215
Interest receivable	12	196
Interest payable	-	-
<b>Loss before Taxation</b>	<u>£ (89,783)</u>	<u>£ 89,411</u>