

PENTAGON FILMTEK LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2004



PENTAGON FILMTEK LIMITED

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FOR THE YEAR ENDED 30TH SEPTEMBER 2004

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PENTAGON FILMTEK LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 30TH SEPTEMBER 2004

DIRECTORS:

D A Thomas
A Nicholl
S Harrhy

SECRETARY:

T Harrington

REGISTERED OFFICE:

Acton Park Estate
The Vale
London
W3 7QE

REGISTERED NUMBER:

3750339 (England and Wales)

AUDITORS:

Ward Mackenzie
Mackenzie House
Coach And Horses Passage
The Pantiles
Tunbridge Wells
Kent
TN2 5NP

PENTAGON FILMTEK LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH SEPTEMBER 2004

The directors present their report with the financial statements of the company for the year ended 30th September 2004.

COMMENCEMENT OF TRADING

Pentagon Filmtek Limited commenced trade on 12 December 2003. The trade and assets were purchased from Filmtek Limited, Company No. 3184299.

CHANGE OF NAME

The company passed a special resolution on 18th December 2003 changing its name from Pentagon Glass Technologies Limited to Pentagon Filmtek Limited.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the supply of solar control, safety and security film.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 30th September 2004.

DIRECTORS

The directors during the year under review were:

D A Thomas	
A Nicholl	- appointed 31.3.2004
S Harry	- appointed 31.3.2004
G P Russell	- resigned 31.3.2004

The directors holding office at 30th September 2004 did not hold any beneficial interest in the issued share capital of the company at 1st October 2003 (or date of appointment if later) or 30th September 2004.

STATEMENT OF 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;
- state whether applicable accounting standards have been followed, 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 financial statements 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.

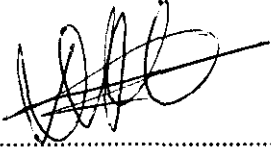
PENTAGON FILMTEK LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH SEPTEMBER 2004

AUDITORS

The auditors, Ward Mackenzie, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



.....
D A Thomas - Director

Date:

17/2/05

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
PENTAGON FILMTEK LIMITED

We have audited the financial statements of Pentagon Filmtek Limited for the year ended 30th September 2004 on pages five to thirteen. 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 members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes 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 of the state of the company's affairs as at 30th September 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ward Mackenzie

Ward Mackenzie
Mackenzie House
Coach And Horses Passage
The Pantiles
Tunbridge Wells
Kent
TN2 5NP

Date:17/1/05.....

PENTAGON FILMTEK LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH SEPTEMBER 2004

	Notes	30.9.04 £	£	30.9.03 £	£
TURNOVER			1,853,840		-
<i>Cost of sales</i>			892,597		-
GROSS PROFIT			961,243		-
Distribution costs		212,646		-	
Administrative expenses		488,088		-	
			700,734		-
			260,509		-
Other operating income			511,148		-
OPERATING PROFIT	3		771,657		-
<i>Interest receivable and similar income</i>			1,183		-
			772,840		-
Interest payable and similar charges	4		4,242		-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			768,598		-
Tax on profit on ordinary activities	5		105,770		-
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			662,828		-
RETAINED PROFIT FOR THE YEAR			662,828		-

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

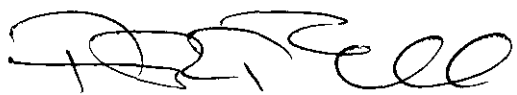
The company has no recognised gains or losses other than the profit for the current year.

PENTAGON FILMTEK LIMITED

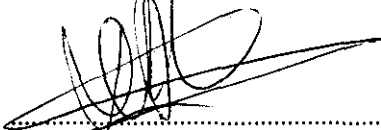
BALANCE SHEET
30TH SEPTEMBER 2004

	Notes	30.9.04 £	£	30.9.03 £	£
FIXED ASSETS					
Intangible assets	6		122,139		-
Tangible assets	7		49,821		-
			<u>171,960</u>		<u>-</u>
CURRENT ASSETS					
Stocks	8	84,320		-	
Debtors	9	753,024		-	
Cash at bank		41,191		99	
		<u>878,535</u>		<u>99</u>	
CREDITORS					
Amounts falling due within one year	10	387,568		-	
NET CURRENT ASSETS			<u>490,967</u>		<u>99</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>662,927</u>		<u>99</u>
CAPITAL AND RESERVES					
Called up share capital	11		99		99
Profit and loss account	12		662,828		-
SHAREHOLDERS' FUNDS	14		<u>662,927</u>		<u>99</u>

ON BEHALF OF THE BOARD:



.....
A Nicholl - Director



.....
D A Thomas - Director

Approved by the Board on 2/2/05

PENTAGON FILMTEK LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH SEPTEMBER 2004

	Notes	30.9.04 £	30.9.03 £
Net cash inflow from operating activities	1	365,179	-
Returns on investments and servicing of finance	2	(3,057)	-
Taxation		(105,770)	-
Capital expenditure	2	(215,260)	-
		<u>41,092</u>	<u>-</u>
Financing	2	-	99
Increase in cash in the period		<u>41,092</u>	<u>99</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		<u>41,092</u>	<u>99</u>
Change in net funds resulting from cash flows		<u>41,092</u>	<u>99</u>
Movement in net funds in the period		<u>41,092</u>	<u>99</u>
Net funds at 1st October		<u>99</u>	<u>-</u>
Net funds at 30th September		<u>41,191</u>	<u>99</u>

The notes form part of these financial statements

PENTAGON FILMTEK LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH SEPTEMBER 2004

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	30.9.04 £	30.9.03 £
Operating profit	771,657	-
Depreciation charges	43,298	-
Increase in stocks	(84,320)	-
Increase in debtors	(753,024)	-
Increase in creditors	387,568	-
Net cash inflow from operating activities	365,179	-

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	30.9.04 £	30.9.03 £
Returns on investments and servicing of finance		
Interest received	1,183	-
Interest paid	(4,240)	-
Net cash outflow for returns on investments and servicing of finance	(3,057)	-
 Capital expenditure		
Purchase of intangible fixed assets	(156,108)	-
Purchase of tangible fixed assets	(59,152)	-
Net cash outflow for capital expenditure	(215,260)	-
 Financing		
Share issue	-	99
Net cash inflow from financing	-	99

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.10.03 £	Cash flow £	At 30.9.04 £
Net cash:			
Cash at bank	99	41,092	41,191
	99	41,092	41,191
 Total	99	41,092	41,191

The notes form part of these financial statements

PENTAGON FILMTEK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2004

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 50% on cost
Motor vehicles	- 25% on reducing balance
Computer equipment	- 50% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

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

Research and development

Development expenditure is capitalised on clearly defined projects whose outcome can be assessed with reasonable certainty. Amortisation is commenced in the year when significant revenues from the development occur and is amortised in line with sales. All other research and development expenditure is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. STAFF COSTS

	30.9.04 £	30.9.03 £
Wages and salaries	509,384	-
Social security costs	12,282	-
Other pension costs	4,533	-
	<hr/> 526,199 <hr/>	<hr/> - <hr/>

PENTAGON FILMTEK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2004

2. STAFF COSTS - continued

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

	30.9.04	30.9.03
Administration	13	-
Selling and distribution	3	-
	<u>16</u>	<u>-</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	30.9.04	30.9.03
	£	£
Hire of plant and machinery	37,183	-
Depreciation - owned assets	9,331	-
Development costs amortisation	33,969	-
Auditors remuneration	3,000	-
	<u>92,851</u>	<u>-</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	30.9.04	30.9.03
	£	£
Interest on bank overdrafts and loans	4,162	-
Other interest - overdue tax	80	-
	<u>4,242</u>	<u>-</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	30.9.04	30.9.03
	£	£
Current tax:		
UK corporation tax	105,770	-
	<u>105,770</u>	<u>-</u>

PENTAGON FILMTEK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2004

6. INTANGIBLE FIXED ASSETS

	Development costs £
COST	
Additions	156,108
At 30th September 2004	<u>156,108</u>
AMORTISATION	
Amortisation for year	33,969
At 30th September 2004	<u>33,969</u>
NET BOOK VALUE	
At 30th September 2004	<u><u>122,139</u></u>

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
Additions	6,075	40,315	12,762	59,152
At 30th September 2004	<u>6,075</u>	<u>40,315</u>	<u>12,762</u>	<u>59,152</u>
DEPRECIATION				
Charge for year	2,498	5,880	953	9,331
At 30th September 2004	<u>2,498</u>	<u>5,880</u>	<u>953</u>	<u>9,331</u>
NET BOOK VALUE				
At 30th September 2004	<u><u>3,577</u></u>	<u><u>34,435</u></u>	<u><u>11,809</u></u>	<u><u>49,821</u></u>

8. STOCKS

	30.9.04 £	30.9.03 £
Stocks	<u>84,320</u>	<u>-</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.04 £	30.9.03 £
Trade debtors	668,661	-
Amounts owed by group undertakings	25,612	-
Other debtors	25,360	-
Prepayments and accrued income	33,391	-
	<u>753,024</u>	<u>-</u>

PENTAGON FILMTEK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2004

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.04	30.9.03
	£	£
Trade creditors	324,016	-
Other taxes and social security	48,799	-
Other creditors	11,753	-
Accruals and deferred income	3,000	-
	<u>387,568</u>	<u>-</u>

11. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.9.04	30.9.03
			£	£
990	Ordinary	.1	<u>99</u>	<u>99</u>

12. RESERVES

	Profit and loss account £
Retained profit for the year	<u>662,828</u>
At 30th September 2004	<u>662,828</u>

13. RELATED PARTY DISCLOSURES

During the year the company paid £4,050 rent, entertainment of £6,933 and £22,500 for service charges to GB Management Limited.

G Bannerman has an interest in the parent company of Pentagon Filmtek Limited.

During the year the company made sales of £3,985 and purchases of £1,838 from Servitek Limited.
A Nicholl and G Bannerman have an interest in Sevitek Limited.

Sales of £1,417 were made to Digital Outdoors Limited. A Nicholl and G Bannerman have an interest in Digital Outdoors Limited.

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30.9.04	30.9.03
	£	£
Profit for the financial year	662,828	-
Share Capital	-	99
Net addition to shareholders' funds	<u>662,828</u>	<u>99</u>
Opening shareholders' funds	99	-
Closing shareholders' funds	<u>662,927</u>	<u>99</u>
Equity interests	<u>662,927</u>	<u>99</u>

PENTAGON FILMTEK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2004

15. SUNDRY INCOME

During the year the company received a refund from an Employee Benefit Trust of £511,148. This is included in other income within the profit and loss account.