

COMPANY REGISTRATION NUMBER 01271273

**GARNDENE COMMUNICATION SYSTEMS LIMITED**

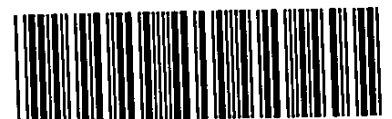
**FINANCIAL STATEMENTS**

**31 JULY 2013**

**MENZIES LLP**

Chartered Accountants & Statutory Auditor  
Heathrow Business Centre  
65 High Street  
Egham  
Surrey TW20 9EY

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COMPANIES HOUSE

# **GARNDENE COMMUNICATION SYSTEMS LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 JULY 2013**

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# **GARNDENE COMMUNICATION SYSTEMS LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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### **THE BOARD OF DIRECTORS**

P Bullen  
K C Hall  
M P Ingleson

### **REGISTERED OFFICE**

Openview House  
Chesham Close  
Romford  
Essex  
RM7 7PJ

### **AUDITOR**

Menzies LLP  
Chartered Accountants

Heathrow Business Centre  
65 High Street  
Egham  
Surrey TW20 9EY

### **BANKERS**

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

# **GARNDENE COMMUNICATION SYSTEMS LIMITED**

## **DIRECTORS' REPORT**

**YEAR ENDED 31 JULY 2013**

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

### **PRINCIPAL ACTIVITIES**

On 1 August 2012 the trade and assets of the company were hived across to Openview Security Solutions Limited, a fellow subsidiary of Openview Group Limited. The company became dormant from that date.

### **DIRECTORS**

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

P Bullen  
K C Hall  
M P Ingleson

### **DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **AUDITOR**

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

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

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

# **GARNDENE COMMUNICATION SYSTEMS LIMITED**

**DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31 JULY 2013**

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## **SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

Registered office  
Openview House  
Chesham Close  
Romford  
Essex  
RM7 7PJ

Signed on behalf of the directors



M P Ingleson

Director

Approved by the directors on 10-DEC-13

# **GARNDENE COMMUNICATION SYSTEMS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GARNDENE COMMUNICATION SYSTEMS LIMITED**

**YEAR ENDED 31 JULY 2013**

We have audited the financial statements of Garndene Communication Systems Limited for the year ended 31 July 2013 on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

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

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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

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

### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 July 2013 and of its result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

Heathrow Business Centre  
65 High Street  
Egham  
Surrey TW20 9EY

19 Dec 2013



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

# **GARNDENE COMMUNICATION SYSTEMS LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 31 JULY 2013**

	<b>Note</b>	<b>2013 £</b>	<b>2012 £</b>
<b>TURNOVER</b>		-	4,267,630
Cost of sales		-	(2,812,425)
<b>GROSS PROFIT</b>		-	1,455,205
Administrative expenses		-	(1,473,506)
<b>OPERATING LOSS</b>	<b>3</b>	-	(18,301)
Interest receivable		-	7
Interest payable and similar charges		-	(4,551)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		-	(22,845)
Tax on loss on ordinary activities	<b>4</b>	-	(40,401)
<b>LOSS FOR THE FINANCIAL YEAR</b>		-	(63,246)

The notes on pages 7 to 11 form part of these financial statements.

# GARNDENE COMMUNICATION SYSTEMS LIMITED

## BALANCE SHEET

31 JULY 2013

	Note	2013 £	£	2012 £	£
<b>FIXED ASSETS</b>					
Intangible assets	6	-	-	-	-
Tangible assets	7	-	-	406,591	406,591
			-		
<b>CURRENT ASSETS</b>					
Stocks	8	-	-	406,584	
Debtors	9	102		2,968,044	
		102		3,374,628	
<b>CREDITORS: Amounts falling due within one year</b>	10	-		1,458,860	
<b>NET CURRENT ASSETS</b>			102		1,915,768
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			102		2,322,359
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred taxation	11	-	-		8,596
			102		2,313,763
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	14		52		52
Revaluation reserve	15		-		230,431
Other reserves	15		50		50
Profit and loss account	15		-		2,083,230
<b>SHAREHOLDERS' FUNDS</b>	15		102		2,313,763

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

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



M P Ingleson

Company Registration Number 01271273

The notes on pages 7 to 11 form part of these financial statements



# **GARNDENE COMMUNICATION SYSTEMS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 JULY 2013**

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### **1. GOING CONCERN**

The directors have assessed the current and forecasted financial position of the company and the group in which it operates. On the basis of this assessment they consider that the company and group can continue to operate within its current banking arrangements. The trade of this company has been hived across to Openview Security Solutions Limited on 1 August 2012 and therefore the company became dormant from that date. The directors consider that the group will continue to operate profitably for the foreseeable future and as such the accounts are prepared on a going concern basis.

### **2. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

#### **Turnover**

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

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

#### **Amortisation**

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

Goodwill - 5 years

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

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

Freehold Property	- 2% on cost
Plant & Machinery	- 25% on reducing balance and over life of rental contract
Fixtures & Fittings	- 10-25% on reducing balance
Motor Vehicles	- 25% on reducing balance

#### **Stocks**

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

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

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

#### **Work in progress**

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

#### **Hire purchase agreements**

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

# GARNDENE COMMUNICATION SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2013

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

#### Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

#### Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

#### Deferred taxation

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

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

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

#### Financial instruments

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

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

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

#### Invoice discounting

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

### 3. OPERATING LOSS

Operating loss is stated after charging

	2013 £	2012 £
Directors' remuneration	-	-
Staff pension contributions	-	24,899
Depreciation of owned fixed assets	-	23,042
Auditor's fees	-	14,586

# GARNDENE COMMUNICATION SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2013

### 4. TAXATION ON ORDINARY ACTIVITIES

#### Analysis of charge in the year

	2013 £	2012 £
Current tax		
UK Corporation tax based on the results for the year at –% (2012 – 25.33%)	-	34,000
Over/under provision in prior year	-	6,401
Total current tax	-	40,401

### 5. DIVIDENDS

#### Equity dividends

	2013 £	2012 £
Paid during the year		
Equity dividends on ordinary shares of £1 each	2,083,230	-

### 6. INTANGIBLE FIXED ASSETS

	Goodwill £
<b>COST</b>	
At 1 August 2012 and 31 July 2013	80,301
<b>AMORTISATION</b>	
At 1 August 2012 and 31 July 2013	80,301
<b>NET BOOK VALUE</b>	
At 31 July 2013	-
At 31 July 2012	-

### 7. TANGIBLE FIXED ASSETS

	Land and buildings £	Other plant & machinery etc. £	Total £
<b>COST OR VALUATION</b>			
At 1 August 2012	368,379	647,209	1,015,588
Transfers	(368,379)	(647,209)	(1,015,588)
At 31 July 2013	-	-	-
<b>DEPRECIATION</b>			
At 1 August 2012	32,589	576,408	608,997
Transfers	(32,589)	(576,408)	(608,997)
At 31 July 2013	-	-	-
<b>NET BOOK VALUE</b>			
At 31 July 2013	-	-	-
At 31 July 2012	335,790	70,801	406,591

During the period, the fixed assets were transferred at net book value from the company to Openview Security Solutions Limited

# GARNDENE COMMUNICATION SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2013

### 7. TANGIBLE FIXED ASSETS *(continued)*

On 6 November 2009 a full independent calculation was undertaken of Garndene Communication Systems Limited's freehold property by Walker Singleton Chartered Surveyors. The valuation resulted in freehold property being revalued to £368,379 and the directors have confirmed that this is not materially different to the value as at 31 July 2013, although it is now included within Openview Security Solutions Limited.

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

		2012 £
<b>Net book value at end of year</b>	-	335,790
<b>Historical cost</b>	-	117,948
<b>Depreciation:</b>		
At 1 August 2012	-	25,347
Charge for year	-	2,360
At 31 July 2013	-	27,707
<b>Net historical cost value:</b>		
At 31 July 2013	-	90,241
At 1 August 2012	-	92,601

### 8. STOCKS

	2013 £	2012 £
Reclaimed stock	-	71,283
Work in progress	-	34,245
Finished goods	-	301,056
	-	406,584

### 9. DEBTORS

	2013 £	2012 £
Trade debtors	-	792,932
Amounts owed by group undertakings	102	1,879,618
Other debtors	-	295,494
	102	2,968,044

The trade debtors balance is subject to a charge in respect of an invoice financing facility. At the balance sheet date £nil (2012: £196,390) has been borrowed against this facility. The amount borrowed against this facility is included within other creditors (Note 10).

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

	2013 £	2012 £
Bank overdrafts	-	113,221
Trade creditors	-	453,534
Amounts owed to group undertakings	-	448,575
Corporation tax	-	34,000
Other taxation and social security	-	158,714
Other creditors	-	250,816
	-	1,458,860

There is a debenture held by the bank which results in a fixed and floating charge secured against all the company's assets.

# GARNDENE COMMUNICATION SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2013

### 11 DEFERRED TAXATION

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

	2013 £	2012 £
Excess of taxation allowances over depreciation on fixed assets	-	8,596
	<u>-</u>	<u>8,596</u>

### 12 COMMITMENTS UNDER OPERATING LEASES

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

	2013 £	2012 £
Operating leases which expire		
Within 1 year	-	40,786
Within 2 to 5 years	-	68,836
	<u>-</u>	<u>109,622</u>

### 13 RELATED PARTY TRANSACTIONS

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

### 14 SHARE CAPITAL

Allotted, called up and fully paid:

	2013 No	£	2012 No	£
Ordinary shares of £1 each	<u>52</u>	<u>52</u>	<u>52</u>	<u>52</u>

### 15. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £	Total share-holders' funds £
Balance brought forward	52	230,431	50	2,083,230	2,313,763
Equity dividends	-	-	-	(2,083,230)	(2,083,230)
Other movements	-	(230,431)	-	-	(230,431)
Other	-	-	-	-	-
Balance carried forward	<u>52</u>	<u>-</u>	<u>50</u>	<u>-</u>	<u>102</u>

### 16 ULTIMATE PARENT COMPANY

The immediate parent company is Openview Group Limited, a company incorporated in England and Wales. Copies of consolidated financial statements for Openview Group Limited are publicly available from companies house