

REGISTERED NUMBER: 03611396 (England and Wales)

REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010  
FOR  
GROUP TWO LIMITED

WEDNESDAY



\*A4QDRPRO\*

A24

08/12/2010

471

COMPANIES HOUSE

**CONTENTS OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2010**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Directors</b>	<b>2</b>
<b>Report of the Independent Auditors</b>	<b>4</b>
<b>Profit and Loss Account</b>	<b>6</b>
<b>Balance Sheet</b>	<b>7</b>
<b>Notes to the Financial Statements</b>	<b>8</b>

**GROUP TWO LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 MARCH 2010**

<b>DIRECTORS:</b>	Mr P K J Field Mr M J Lake
<b>SECRETARY:</b>	Mr P K J Field
<b>REGISTERED OFFICE:</b>	Bank Chambers 1 Central Avenue SITTINGBOURNE Kent ME10 4AE
<b>REGISTERED NUMBER:</b>	03611396 (England and Wales)
<b>SENIOR STATUTORY AUDITOR:</b>	Mr Peter Frowde
<b>AUDITORS.</b>	McCabe Ford Williams Statutory Auditors and Chartered Accountants Bank Chambers 1 Central Avenue SITTINGBOURNE Kent ME10 4AE
<b>BANKERS:</b>	National Westminster Europa House 49 Sandgate Road Folkestone Kent
<b>SOLICITORS:</b>	Brachers LLP Somerfield House 59 London Road Maidstone Kent ME16 8JH

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 MARCH 2010**

The directors present their report with the financial statements of the company for the year ended 31 March 2010

**PRINCIPAL ACTIVITIES**

The principal activities of the company in the year under review were those of sale, monitoring and leasing of CCTV security equipment

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2009 to the date of this report

Mr P K J Field  
Mr M J Lake

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 period. 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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

**AUDITORS**

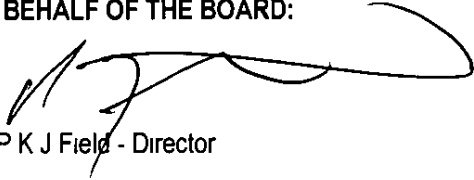
The auditors, McCabe Ford Williams, will be proposed for re-appointment at the forthcoming Annual General Meeting

**GROUP TWO LIMITED (REGISTERED NUMBER: 03611396)**

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 MARCH 2010**

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to be 'P K J Field', written over a horizontal line.

Mr P K J Field - Director

25 May 2010

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF**  
**GROUP TWO LIMITED**

We have audited the financial statements of Group Two Limited for the year ended 31 March 2010 on pages six to fourteen. 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 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page two, 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 (APB's) Ethical Standards for Auditors, including "APB Ethical Standard - Provisions Available for Small Entities (Revised)", in the circumstances set out in note sixteen to the financial statements.

**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 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.

**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 March 2010 and of its profit 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**

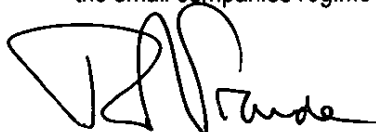
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF**  
**GROUP TWO LIMITED**

**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 and the Report of the Directors in accordance with the small companies regime



Mr Peter Frowde (Senior Statutory Auditor)  
for and on behalf of McCabe Ford Williams  
Statutory Auditors and Chartered Accountants  
Bank Chambers  
1 Central Avenue  
SITTINGBOURNE  
Kent  
ME10 4AE

9 June 2010

**GROUP TWO LIMITED (REGISTERED NUMBER: 03611396)**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2010**

	Notes	31 3 10 £	31 3 09 £
<b>TURNOVER</b>	2	1,913,820	2,553,722
Cost of sales		<u>778,646</u>	<u>792,977</u>
<b>GROSS PROFIT</b>		1,135,174	1,760,745
Administrative expenses		<u>973,995</u>	<u>1,159,455</u>
		161,179	601,290
Other operating income		<u>75</u>	<u>100</u>
<b>OPERATING PROFIT</b>	4	161,254	601,390
Interest payable and similar charges		<u>2,161</u>	<u>3,196</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		159,093	598,194
Tax on profit on ordinary activities	5	<u>48,496</u>	<u>160,442</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u><u>110,597</u></u>	<u><u>437,752</u></u>

The notes form part of these financial statements




**BALANCE SHEET**  
**31 MARCH 2010**

	Notes	31 3 10 £	£	31 3 09 £	£
<b>FIXED ASSETS</b>					
Tangible assets	7		524,560		671,387
Investments	8		4		4
			<u>524,564</u>		<u>671,391</u>
<b>CURRENT ASSETS</b>					
Debtors	9	300,166		391,467	
Cash at bank		<u>22,188</u>		<u>18,012</u>	
		322,354		409,479	
<b>CREDITORS</b>					
Amounts falling due within one year	10	<u>224,302</u>		<u>327,122</u>	
<b>NET CURRENT ASSETS</b>			<u>98,052</u>		<u>82,357</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			622,616		753,748
<b>CREDITORS</b>					
Amounts falling due after more than one year	11		-		1,729
<b>NET ASSETS</b>			<u>622,616</u>		<u>752,019</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13		2		2
Profit and Loss Account	14		<u>622,614</u>		<u>752,017</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>622,616</u>		<u>752,019</u>

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

The financial statements were approved by the Board of Directors on 25 May 2010 and were signed on its behalf by

  
Mr P K J Field - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2010**

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

**Preparation of consolidated financial statements**

The financial statements contain information about Group Two Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken the option under Section 398 of the Companies Act 2006 not to prepare consolidated financial statements

**Turnover**

Turnover represents net invoiced sales and leasing of goods and services, 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

Office Equipment and Furniture	-25% on reducing balance
CCTV Equipment	-25% on reducing balance
Motor Vehicles	-25% on reducing balance

All assets over 6 years old are fully depreciated, except Motor Vehicles

**Deferred tax**

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

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

**Pension costs and other post-retirement benefits**

The company has ceased to operate a retirement benefits pension scheme. Any contributions payable to the directors' personal defined contribution schemes for the year are charged in the profit and loss account

**Operating Lease Income**

Assets held by the company for leasing under operating leases are capitalised and depreciated over the estimated useful life of the asset. Rentals receivable under operating leases are included in Turnover on an accruals basis

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2010**

**2 TURNOVER**

The turnover and profit before taxation are attributable to the principal activities of the company

An analysis of turnover by class of business is given below

	31 3 10	31 3 09
	£	£
Robowatch	1,838,624	2,420,364
Monitoring - CCTV	66,997	104,805
CCTV Sales	8,199	28,553
	<u>1,913,820</u>	<u>2,553,722</u>

The Robowatch income relates to rentals receivable under operating leases

**3 STAFF COSTS**

	31 3 10	31 3 09
	£	£
Wages and salaries	760,602	741,001
Social security costs	85,638	73,736
Other pension costs	-	110,000
	<u>846,240</u>	<u>924,737</u>

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

31 3 10	31 3 09
<u>24</u>	<u>25</u>

**4 OPERATING PROFIT**

The operating profit is stated after charging

	31 3 10	31 3 09
	£	£
Depreciation - owned assets	218,592	220,444
Depreciation - assets on hire purchase contracts	4,000	10,475
Loss on disposal of fixed assets	993	4,014
Auditors Remuneration	3,800	3,800
	<u>102,925</u>	<u>211,510</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2010**

**5 TAXATION**

**Analysis of the tax charge**

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

	31 3 10 £	31 3 09 £
Current tax		
UK corporation tax	48,496	159,621
Corporation Tax Interest	-	821
	<u>48,496</u>	<u>160,442</u>
Tax on profit on ordinary activities	<u>48,496</u>	<u>160,442</u>

**Factors affecting the tax charge**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	31 3 10 £	31 3 09 £
Profit on ordinary activities before tax	<u>159,093</u>	<u>598,194</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2009 - 28%)	33,410	167,494
Effects of		
Expenses not deductible for tax purposes	1,450	2,284
Depreciation for the year in excess of capital allowances	13,636	5,159
Marginal Relief	-	(15,316)
Corporation Tax Interest	-	821
Current tax charge	<u>48,496</u>	<u>160,442</u>

**6 DIVIDENDS**

	31 3 10 £	31 3 09 £
Ordinary shares of £1 each		
Interim	<u>240,000</u>	<u>360,000</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2010**

**7 TANGIBLE FIXED ASSETS**

	Office Equipment and Furniture £	CCTV Equipment £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 April 2009	127,539	1,296,983	119,707	1,544,229
Additions	2,035	74,824	-	76,859
Disposals	(9,938)	(53,903)	(1,150)	(64,991)
At 31 March 2010	119,636	1,317,904	118,557	1,556,097
<b>DEPRECIATION</b>				
At 1 April 2009	69,740	755,342	47,760	872,842
Charge for year	18,091	186,604	17,897	222,592
Eliminated on disposal	(9,208)	(53,903)	(786)	(63,897)
At 31 March 2010	78,623	888,043	64,871	1,031,537
<b>NET BOOK VALUE</b>				
At 31 March 2010	41,013	429,861	53,686	524,560
At 31 March 2009	57,799	541,641	71,947	671,387

CCTV Equipment is held for leasing under operating lease agreements

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Motor vehicles £
<b>COST</b>	
At 1 April 2009	65,007
Transfer to ownership	(36,565)
At 31 March 2010	28,442
<b>DEPRECIATION</b>	
At 1 April 2009	33,583
Charge for year	4,000
Transfer to ownership	(21,139)
At 31 March 2010	16,444
<b>NET BOOK VALUE</b>	
At 31 March 2010	11,998
At 31 March 2009	31,424

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2010**

**8 FIXED ASSET INVESTMENTS**

	Listed investments £
<b>COST</b>	
At 1 April 2009 and 31 March 2010	4
<b>NET BOOK VALUE</b>	
At 31 March 2010	4
At 31 March 2009	4

The company's investments at the balance sheet date in the share capital of companies include the following

**Robowatch Limited**

Nature of business Non-trading

	%
Class of shares	holding
Ordinary £1 Shares	100 00

**Golden Knight Security Limited**

Nature of business Non-trading

	%
Class of shares	holding
Ordinary £1 Shares	100 00

**9 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 3 10 £	31 3 09 £
Trade Debtors	297,564	386,111
Other Debtors and Prepayments	2,602	5,156
Loan to Employees	-	200
	<u>300,166</u>	<u>391,467</u>

**10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 3 10 £	31 3 09 £
Hire purchase contracts	1,728	10,998
Trade Creditors	67,023	47,334
Taxation	48,496	159,621
Other Taxes and PAYE	68,980	89,488
Accruals	38,075	19,681
	<u>224,302</u>	<u>327,122</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2010**

**11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31 3 10	31 3 09
	£	£
Hire purchase contracts	-	1,729
	<u>          </u>	<u>          </u>

**12 OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year

	31 3 10	31 3 09
	£	£
Expiring		
Within one year	29,473	29,473
Between one and five years	5,201	5,201
	<u>          </u>	<u>          </u>
	<u>34,674</u>	<u>34,674</u>

**13 CALLED UP SHARE CAPITAL**

Allotted and issued Number	Class	Nominal value	31 3 10	31 3 09
		£1	£	£
2	Ordinary		2	2
			<u>          </u>	<u>          </u>

**14 RESERVES**

	Profit and Loss Account £
At 1 April 2009	752,017
Profit for the year	110,597
Dividends	<u>(240,000)</u>
At 31 March 2010	<u>622,614</u>

**15 RELATED PARTY DISCLOSURES**

During the year the company has paid the following dividends to the shareholders

	31 3 10	31 3 09
	£	£
Mr P Field	£120,000	£180,000
Mr M Lake	£120,000	£180,000

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2010**

**16 APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES**

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements

**17 ULTIMATE CONTROLLING PARTY**

The ultimate controlling parties are Mr P K J Field and Mr M J Lake