

Company Registration No. 1589952

BERKELEY SECURITY BUREAU LIMITED



Report and Financial Statements

30 September 1998

**Deloitte & Touche
Chartered Accountants
Stonecutter Court
1 Stonecutter Street
London EC4A 4TR**

BERKELEY SECURITY BUREAU LIMITED

REPORT AND FINANCIAL STATEMENTS 1998

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BERKELEY SECURITY BUREAU LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 September 1998.

PRINCIPAL ACTIVITY

The principal activity of the company is the provision of security consultancy services.

RESULTS AND DIVIDEND

The results of the company are set out on page 5 and the resulting reserve movement is reflected in note 11. No dividend is proposed.

FUTURE PROSPECTS

The company is expected to trade profitably in the future.

YEAR 2000 COMPLIANCE

The directors have considered the Year 2000 issue and have taken appropriate steps to ensure that the computer systems used by the company are Year 2000 compliant. The total estimated future cost with regard to this issue is expected to be minimal.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year were:

G A Naggar
P R Klimt
B M Pincus
M S Bluestone

The interests of the directors who were in office at 30 September 1998 in the share capital of the company are shown below:

	1998 Shares	1997 Shares
G A Naggar	-	-
P R Klimt	-	-
B M Pincus	-	-
M S Bluestone	75	75

G Naggar and P Klimt, including connected persons, each own a third of the ordinary share capital of Dawnay, Day International Limited which effectively controls 75% of the ordinary share capital of Berkeley Security Bureau Limited.

BERKELEY SECURITY BUREAU LIMITED

DIRECTORS' REPORT (Continued)

COMPANY SECRETARY

The Company Secretary who served during the year was:

M Langridge

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors. A resolution to reappoint Deloitte & Touche as auditors will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



Megan Langridge

Company Secretary

30/9/ 1999

BERKELEY SECURITY BUREAU LIMITED

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 as at the end of the financial year and of the profit or loss of the company for that year. In preparing the 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 a 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.

By order of the Board



Megan Langridge

Company Secretary

4/10/

1999

AUDITORS' REPORT TO THE MEMBERS OF BERKELEY SECURITY BUREAU LIMITED

We have audited the financial statements on pages 5 to 11 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

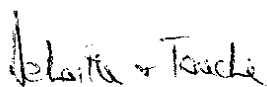
Basis of opinion

We conducted our audit in accordance with 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 at 30 September 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche

Chartered Accountants and
Registered Auditors

12 October

1999

BERKELEY SECURITY BUREAU LIMITED

PROFIT AND LOSS ACCOUNT Year ended 30 September 1998

	Note	1998 £	1997 £
TURNOVER	2	120,350	124,759
Cost of sales		(34,257)	(47,188)
GROSS PROFIT		86,093	77,571
Administrative expenses		(198,197)	(158,296)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(112,104)	(80,725)
Tax on loss on ordinary activities		-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(112,104)	(80,725)

All activities derive from continuing operations. There are no recognised gains or losses or other movements in shareholders' funds other than the loss for the year.

BERKELEY SECURITY BUREAU LIMITED

BALANCE SHEET 30 September 1998

	Note	1998 £	1997 £
TANGIBLE FIXED ASSETS	5	32,773	10,651
INVESTMENTS	6	80	-
CURRENT ASSETS			
Debtors	7	318,304	61,559
Cash at bank and in hand		771	3,643
		<u>319,075</u>	<u>65,202</u>
CREDITORS: amounts falling due within one year	8	<u>(563,901)</u>	<u>(175,722)</u>
NET CURRENT LIABILITIES		<u>(244,826)</u>	<u>(110,520)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(211,973)</u>	<u>(99,869)</u>
CAPITAL AND RESERVES			
Called up share capital	10	100	100
Profit and loss account	11	<u>(212,073)</u>	<u>(99,969)</u>
EQUITY SHAREHOLDERS' DEFICIT	12	<u>(211,973)</u>	<u>(99,869)</u>

These financial statements were approved by the Board of Directors on

4/10/

1999.

Signed on behalf of the Board of Directors

B M Pincus

G A Naggar

BERKELEY SECURITY BUREAU LIMITED

NOTES TO THE ACCOUNTS Year ended 30 September 1998

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

Turnover is recognised in the year in which the work is performed.

Tangible fixed assets

Tangible fixed assets are depreciated over their expected useful lives on a straight line basis at the following annual rates:

Leasehold improvements	10%
Office equipment	25%
Furniture and fittings	25%

Fixed asset investments

Fixed asset investments are valued at cost less any provisions for permanent diminution in value.

Deferred taxation

Deferred taxation is provided at the anticipated tax rates, on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements, to the extent that it is probable that a liability or asset will crystallise in the future.

Going concern

The directors of the company have received assurances from the parent company that it will continue to support the company to enable it to pay its debts as and when they fall due. On this basis the accounts have been prepared on a going concern basis.

2. TURNOVER

This represents fees receivable from the provision of security consultancy services and arises in the UK.

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The loss on ordinary activities before taxation is stated after charging:

	1998 £	1997 £
Wages and salaries	90,855	26,120
Social security costs	9,258	2,620
Depreciation	7,851	3,551
Loss on disposal of fixed asset	1,453	-
Auditors' remuneration	1,500	1,500

The average number of persons employed by the company during the year was 2 (1 professional, 1 administration) (1997: 1 professional).

BERKELEY SECURITY BUREAU LIMITED

NOTES TO THE ACCOUNTS Year ended 30 September 1998

4. DIRECTORS' REMUNERATION

	1998 £	1997 £
Aggregate emoluments (excluding pension contributions)	<u>59,418</u>	<u>72,292</u>

5. TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Motor Vehicles £	Office Equipment £	Furniture & Fittings £	Total £
Cost					
At 1 October 1997	-	-	7,380	6,822	14,202
Additions	3,581	5,995	26,392	-	35,968
Disposals	-	(5,995)	-	-	(5,995)
At 30 September 1998	<u>3,581</u>	<u>-</u>	<u>33,772</u>	<u>6,822</u>	<u>44,175</u>
Depreciation					
At 1 October 1997	-	-	1,846	1,705	3,551
Charge for year	358	-	5,787	1,706	7,851
At 30 September 1998	<u>358</u>	<u>-</u>	<u>7,633</u>	<u>3,411</u>	<u>11,402</u>
Net book value					
At 30 September 1998	<u>3,223</u>	<u>-</u>	<u>26,139</u>	<u>3,411</u>	<u>32,773</u>
At 30 September 1997	<u>-</u>	<u>-</u>	<u>5,534</u>	<u>5,117</u>	<u>10,651</u>

6. FIXED ASSET INVESTMENTS

	Investment in associated undertakings £
Cost	
At 1 October 1997	-
Additions	<u>80</u>
At 30 September 1998	<u>80</u>

The investments in associated undertakings represents the following:

Investment in the ordinary share capital of Berkeley Security Bureau (Forensic) Ltd – 40%

Investment in the ordinary share capital of Berkeley Security Bureau (ECM) Ltd – 40%

BERKELEY SECURITY BUREAU LIMITED

NOTES TO THE ACCOUNTS Year ended 30 September 1998

7. DEBTORS

	1998 £	1997 £
Trade debtors	38,168	45,696
Amounts due from group undertakings	256,178	-
Other debtors	2,348	9,270
Unpaid share capital	-	2
Prepayments and accrued income	21,610	6,591
	<u>318,304</u>	<u>61,559</u>

8. CREDITORS - amounts falling due within one year

	1998 £	1997 £
Bank overdraft	1,857	-
Amounts due to group undertakings	534,837	148,063
Other creditors	16,320	6,990
Accruals and deferred income	10,887	20,669
	<u>563,901</u>	<u>175,722</u>

9. DEFERRED TAXATION

	Amount provided 1998 £	Amount not provided 1998 £	Amount provided 1997 £	Amount not provided 1997 £
Capital allowances in excess of depreciation	-	1,347	-	968
Tax losses	-	(35,494)	-	(5,950)
	<u>-</u>	<u>(34,147)</u>	<u>-</u>	<u>(4,982)</u>

10. CALLED UP SHARE CAPITAL

	1998 £	1997 £
Authorised:		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, issued and nil paid:		
2 ordinary shares of £1 each	<u>-</u>	<u>2</u>
Allotted, issued and fully paid:		
100 ordinary shares of £1 each	<u>100</u>	<u>98</u>

BERKELEY SECURITY BUREAU LIMITED

NOTES TO THE ACCOUNTS Year ended 30 September 1998

11. STATEMENT OF MOVEMENT ON RESERVES

	1998 £
Profit and Loss Account	
Balance at 1 st October	(99,969)
Loss for the year	(112,104)
	<hr/>
Balance at 30 September	(212,073)
	<hr/>

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1998 £	1997 £
Loss attributable to members of the company	(112,104)	(80,725)
Opening shareholders' deficit	(99,869)	(19,144)
	<hr/>	<hr/>
Closing shareholders' deficit	(211,973)	(99,869)
	<hr/>	<hr/>

13. RELATED PARTY TRANSACTIONS

Dawnay, Day International Limited ("DDI") is the parent and controlling company of Dawnay, Day & Co. Limited ("DDC"), Wilcourt Investments Limited ("Wilcourt") and Berkeley Security Bureau Limited ("BSB"). DDC and BSB own 35 ordinary shares and 40 ordinary shares respectively in Berkeley Security Bureau (ECM) Limited ("ECM") as well as Berkeley Security Bureau (Forensic) Limited ("Forensic").

DDC is the parent and controlling company of Homedouble Limited.

Dawnay, Day International Limited ("DDI")

During the year £8,225 of liabilities were settled by DDI on behalf of the company. In addition an amount of £11,800 was advanced to DDI during the year. Similarly an amount of £1,950 was advanced by DDI to BSB during the year. The balance outstanding at the end of the year in respect of the above transactions was £1,626.

Dawnay, Day & Co. Limited ("DDC")

During the year £13,346 of liabilities were settled by the company on behalf of DDC. In addition an amount of £3,000 was advanced to the company during the year. The balance outstanding at the end of the year in respect of the above transactions was £10,348.

Wilcourt Investments Limited ("Wilcourt")

During the year £219,442 of liabilities were settled by Wilcourt on behalf of the company. In addition an amount of £161,100 was advanced to the company during the year whilst the company advanced £16,500 to Wilcourt. The balance outstanding at the end of the year in respect of the above transactions was £513,166.

Berkeley Security Bureau (ECM) Limited ("ECM")

During the year £72,976 of liabilities were settled by the company on behalf of ECM. In addition, during the year 40 £1 ordinary shares were issued by ECM to the company at par. The balance outstanding at the end of the year in respect of the above transactions was £72,771.

BERKELEY SECURITY BUREAU LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 September 1998

Berkeley Security Bureau (Forensic) Limited ("Forensic")

During the year £178,886 of liabilities were settled by the company on behalf of Forensic whilst £1,704 of liabilities were settled by Forensic on behalf of the company. In addition an amount of £7,203 relating to customer receipts was deposited in Forensic on behalf of the company. Similarly an amount of £11,857 relating to customer receipts was deposited in the company on behalf of Forensic. In addition, during the year 40 £1 ordinary shares were issued by Forensic to the company at par. The balance outstanding at the end of the year in respect of the above transactions was £168,853.

Homedouble Ltd

Included within administrative expenses is an amount of £19,091 relating to the company's share of rent to be charged by Homedouble Limited. The balance outstanding at the end of the year in respect of the above transactions was £19,091.

14. IMMEDIATE AND ULTIMATE PARENT COMPANIES

The immediate parent company is Dawnay, Day & Co. Limited, which is registered in England and Wales. The ultimate parent and controlling company is Dawnay, Day International Limited, which is registered in England and Wales. Financial statements of both companies can be obtained from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.