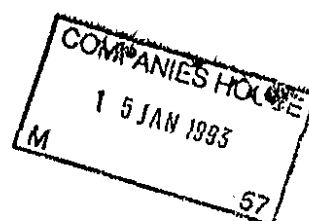


SITEX SECURITY PRODUCTS LIMITED
Registered Number: 1593182

DIRECTORS' REPORT AND ACCOUNTS

31 MARCH 1992



SITEX SECURITY PRODUCTS LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 March 1992.

REVIEW OF THE BUSINESS

The company is engaged in the design, hire, sale and installation of security equipment and systems.

RESULTS AND DIVIDENDS

The results for the year are shown in the profit and loss account on page 4.

The directors do not recommend the payment of a dividend in respect of the year ended 31 March 1992 (1991 : £1,680,000).

The profit on ordinary activities after taxation for the year ended 31 March 1992 amounted to £2,707,248 (1991 : £2,555,619).

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office during the year were as follows:

K Williams	(appointed 19 July 1991)
BR Willis	
I Brooker	
PNJ Fox-Andrews	(resigned 16 July 1991)
DA White	(resigned 16 July 1991)
RMG Turnbull	(resigned 16 July 1991)
SM Turnbull	(resigned 16 July 1991)
JM Turnbull	(resigned 16 July 1991)
PD Lowe	(resigned 16 July 1991)

The interests of the directors serving at the end of the year in the share capital of the immediate parent, Sitex Group Limited, are shown in that company's accounts.

SITEX SECURITY PRODUCTS LIMITED

DIRECTORS' REPORT (Continued)

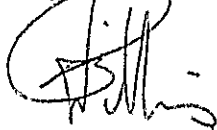
FIXED ASSETS

Changes in the company's fixed assets are shown in notes 7 and 8 to the financial statements.

AUDITORS

During the year KPMG Peat Marwick McLintock resigned as auditors and Price Waterhouse were appointed by the directors to fill the vacancy arising. A resolution to re-appoint Price Waterhouse will be proposed at the Annual General Meeting.

By Order of the Board

A handwritten signature in dark ink, appearing to be 'BR Willis', written over the typed name.

BR Willis
Secretary

29 May 1992

Price Waterhouse



AUDITORS' REPORT TO THE MEMBERS OF SITEX SECURITY PRODUCTS LIMITED

We have audited the financial statements on pages 4 to 14 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 March 1992 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

PRICE WATERHOUSE
Chartered Accountants
and Registered Auditor

29 May 1992

SITEX SECURITY PRODUCTS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1992

	<u>Notes</u>	<u>1992</u> £	<u>1991</u> £
TURNOVER		7,673,841	5,674,140
Raw materials and consumables		(658,017)	(749,060)
Other external charges		(225,657)	(150,218)
Staff costs	4	(1,732,200)	(1,067,084)
Depreciation		(605,248)	(669,027)
Other operating charges		(1,148,432)	(704,070)
Other operating income		9,076	3,543
Interest receivable		<u>225,895</u>	<u>217,395</u>
Profit on ordinary activities before taxation	2	3,539,258	2,555,619
Tax on profit on ordinary activities	5	<u>(832,010)</u>	<u>-</u>
Profit on ordinary activities after taxation		2,707,248	2,555,619
Dividends	6	<u>-</u>	<u>(1,680,000)</u>
Retained profit for the year	15	<u>2,707,248</u>	<u>875,619</u>

The notes on pages 6 to 14 form an integral part of these accounts.

SITEX SECURITY PRODUCTS LIMITED

BALANCE SHEET AS AT 31 MARCH 1992

	Notes	1992 £	1991 £
FIXED ASSETS			
Tangible assets	7	2,582,027	2,229,898
Investments	8	<u>19,551</u>	<u>1</u>
		2,601,578	2,229,899
CURRENT ASSETS			
Stock	9	39,493	25,000
Debtors	10	2,293,250	2,880,689
Cash at bank and in hand		<u>3,565,003</u>	<u>203,686</u>
		5,897,746	3,109,375
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	(2,154,299)	(1,701,497)
		<u>3,743,447</u>	<u>1,407,878</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		6,345,025	3,637,777
PROVISIONS FOR LIABILITIES AND CHARGES	12	(132,350)	(132,350)
		<u>6,212,675</u>	<u>3,505,427</u>
CAPITAL AND RESERVES			
Called up share capital	14	2,000	2,000
Revaluation reserve		268,711	268,711
Profit and loss account	15	<u>5,941,964</u>	<u>3,234,716</u>
		<u>6,212,675</u>	<u>3,505,427</u>

The accounts were approved by the Board on 29 May 1992.

K Williams
Director

Keith Williams

B R Willis
Director

B R Willis

The notes on pages 6 to 14 form an integral part of these accounts.

SITEX SECURITY PRODUCTS LIMITED

NOTES TO THE ACCOUNTS AT 31 MARCH 1992

1 ACCOUNTING POLICIES

1.1 Basis of accounting

The financial statements are prepared under the historical cost convention, as modified by the revaluation of freehold land and buildings, and have been prepared in accordance with applicable Accounting Standards.

The directors consider that a type of expenditure format is more appropriate for the profit and loss account for the company. Consequently format 2 of the Companies Act 1985 has been adopted this year with appropriate adjustments for the comparative year.

1.2 Tangible fixed assets

Depreciation is provided by the company to write off the cost of tangible fixed assets by equal instalments over their estimated economic lives at the following rates per annum:

Freehold buildings	- 2%
Office equipment excluding computers	- 25%
Hire stock	- 25%
Computer equipment	- 33 1/3%
Commercial vehicles	- 33 1/3%
Motor Vehicles	- 25%

Leasehold improvements are amortised over the period of the lease. No depreciation is provided on freehold land.

1.3 Stock

Stock is valued at the lower of cost and net realisable value after making allowance for obsolescence. In determining the cost of goods for resale, the cost is taken as the average purchase price including the costs of delivery.

1.4 Taxation

The charge for taxation is based on the profit for the year and takes into account any charge made for deferred taxation in the year.

Provision for deferred taxation is made under the liability method to take account of timing differences between the treatment of items for taxation and accounting purposes where it is considered that a liability or asset will crystallise.

SITEX SECURITY PRODUCTS LIMITED

NOTES TO THE ACCOUNTS AT 31 MARCH 1992 (Continued)

1 ACCOUNTING POLICIES (Continued)

1.5 Foreign currencies

All transactions in foreign currency are converted into sterling using the exchange rate ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date except where forward purchases of currency have been made, when the forward rate is used. Differences on exchange thus arising are taken to the profit and loss account.

1.6 Pensions

The company operates a defined contribution pension scheme and in accordance with Statement of Standard Accounting Practice No 24 "Accounting for Pension Costs", the annual cost to the company is charged against revenue in the year that it is incurred.

The cost to the company in respect of the period is disclosed in note 4 to the financial statements. There were no outstanding or prepaid contributions at the end of the year.

1.7 Leases

The cost of operating leases is charged to the profit and loss account as they accrue.

Hire stock leased out under operating leases is capitalised and depreciated as described in note 1.2 above.

1.8 Cash flow statement

The company is not required to prepare a cash flow statement as it is a wholly owned subsidiary of Sitex Group Limited, which includes this statement in its accounts.

SITEX SECURITY PRODUCTS LIMITED

NOTES TO THE ACCOUNTS AT 31 MARCH 1992 (Continued)

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging/(crediting).

	<u>1992</u>	<u>1991</u>
	£	£
Auditors' remuneration	12,500	14,144
Profit on sale of fixed assets	(4,966)	(3,543)
Operating lease rentals payable - land and buildings	109,076	48,494
- vehicles	32,079	-

Substantially all of the company's turnover and profits are derived from the rental of security equipment and systems.

3 DIRECTORS' EMOLUMENTS

	<u>1992</u>	<u>1991</u>
	£	£
Directors' emoluments:		
Emoluments	227,298	44,712
Pension contributions paid by company	<u>19,537</u>	<u>5,267</u>
	<u>246,835</u>	<u>49,979</u>

The emoluments of the highest paid director, excluding pension contributions, were £76,543 (1991: £30,362).

The emoluments, excluding pension contributions, of the other directors during the year fell within the following ranges:

	<u>1992</u>	<u>1991</u>
	No	No
£0 - £5,000	6	5
£5,001 - £10,000	-	2
£20,001 - £25,000	-	-
£70,001 - £75,000	1	-
£75,001 - £80,000	1	-

SITEX SECURITY PRODUCTS LIMITED

NOTES TO THE ACCOUNTS AT 31 MARCH 1992 (Continued)

4 STAFF COSTS

Employee costs during the year were:

	<u>1992</u> £	<u>1991</u> £
Wages and salaries	1,539,308	940,510
Social security costs	152,326	100,018
Other pension costs	<u>40,566</u>	<u>26,556</u>
	<u>1,732,200</u>	<u>1,067,084</u>

The average number of persons employed by the company during the year was: 81 (1991 : 68).

5 TAXATION

United Kingdom corporation tax based on profits for the year at a rate of 33% (1991 : 34%)

<u>1992</u> £	<u>1991</u> £
<u>832,010</u>	<u>-</u>

The tax liability on profits has been reduced in both years by group relief from other group companies, for which no consideration was paid.

6 DIVIDENDS

	<u>1992</u> £	<u>1991</u> £
Interim dividend paid	-	680,000
Final dividend proposed	<u>-</u>	<u>1,000,000</u>
	<u>-</u>	<u>1,680,000</u>

SITEX SECURITY PRODUCTS LIMITED

NOTES TO THE ACCOUNTS AT 31 MARCH 1992 (Continued)

7 FIXED TANGIBLE ASSETS

	Freehold Property £	Leasehold Improvements £	Motor vehicles £	Fixtures and Fittings £	Hire Stock £	Total £
Cost or valuation						
At 31 March 1991	1,048,228	15,035	362,278	144,111	2,278,780	3,848,432
Additions	40,151	6,260	48,065	76,994	1,005,988	1,177,458
Disposals	-	-	(102,621)	(1,755)	-	(104,376)
Transfers to subsidiary undertaking	-	-	(10,176)	(5,658)	(178,420)	(194,254)
31 March 1992	1,088,379	21,295	297,546	213,692	3,106,348	4,727,260
Depreciation						
At 31 March 1991	21,096	981	147,621	77,445	1,371,391	1,618,534
Charge for the year	14,003	1,871	91,995	41,615	455,764	605,248
Disposals	-	-	(68,571)	(433)	-	(69,004)
Transfers to subsidiary undertaking	-	-	(424)	(143)	(8,978)	(9,545)
At 31 March 1992	35,099	2,852	170,621	118,484	1,818,177	2,145,233
Net book value						
31 March 1992	<u>1,053,280</u>	<u>18,443</u>	<u>126,925</u>	<u>95,208</u>	<u>1,288,171</u>	<u>2,582,027</u>
31 March 1991	<u>1,027,132</u>	<u>14,054</u>	<u>214,657</u>	<u>66,666</u>	<u>907,389</u>	<u>2,229,898</u>

Freehold land and buildings were revalued by external valuers in June 1989 on an open market existing use basis. Additions since that date are stated at cost.

Hire stock constitutes equipment held for use in operating lease contracts with customers.

	1992 £	1991 £
Details of revalued assets:		
Land at valuation	350,000	350,000
Buildings at valuation	350,000	350,000
Buildings at cost	<u>388,379</u>	<u>348,228</u>
Depreciation	1,088,379 <u>35,099</u>	1,048,228 <u>21,096</u>
Net book value	<u>1,053,280</u>	<u>1,027,132</u>

SITEX SECURITY PRODUCTS LIMITED

NOTES TO THE ACCOUNTS AT 31 MARCH 1992 (Continued)

7 FIXED TANGIBLE ASSETS (Continued)

If these assets had not been revalued the amounts would have been	<u>1992</u> £	<u>1991</u> £
Land at cost	149,469	149,469
Buildings at cost	<u>537,848</u>	<u>497,697</u>
	687,317	647,166
Depreciation	<u>23,963</u>	<u>13,206</u>
Net book value	<u>663,354</u>	<u>633,960</u>

8 FIXED ASSET INVESTMENTS

	Shares in Subsidiary undertaking £
Cost	
At 31 March 1991	6,250
Addition	<u>19,550</u>
At 31 March 1992	<u>25,800</u>
Provision for reduction in value	
At 31 March 1991 and 31 March 1992	<u>6,249</u>
Net book amount	
At 31 March 1992	<u>19,551</u>
At 31 March 1991	<u>1</u>

The shares in the subsidiary undertaking relate to the company's 100% owned subsidiary, Sitex S.A., a company registered and operating in France. The principal activity of Sitex S.A. is the hire of security equipment to customers under operating leases and its issued share capital is £250,000 French Francs.

In the opinion of the director's, the aggregate value of the company's investments is not worth less than the aggregate amount shown above.

SITEX SECURITY PRODUCTS LIMITED

NOTES TO THE ACCOUNTS AT 31 MARCH 1992 (Continued)

9	STOCK	<u>1992</u>	<u>1991</u>
		£	£
	Raw materials	<u>39,493</u>	<u>25,000</u>
10	DEBTORS (Amounts falling due within one year)	<u>1992</u>	<u>1991</u>
		£	£
	Trade debtors	1,765,784	1,534,723
	Amounts owed by subsidiary undertakings	375,483	-
	Amounts owed by immediate parent	60,000	1,299,065
	Other debtors	44,592	23,568
	Prepayments	<u>47,391</u>	<u>-</u>
	Amounts falling due after more than one year:	2,293,250	2,857,356
	ACT recoverable	<u>-</u>	<u>23,333</u>
		<u>2,293,250</u>	<u>2,880,689</u>
11	CREDITORS (Amounts falling due within one year)	<u>1992</u>	<u>1991</u>
		£	£
	Bank overdraft	23,098	2,953
	Trade creditors	536,799	352,777
	Amounts owed to immediate parent	-	27,416
	Dividend payable	-	1,000,000
	UK corporation tax payable	875,281	43,000
	VAT	193,989	103,933
	Social Security and PAYE	85,724	25,544
	Other creditors	51,701	145,874
	Accruals	<u>387,707</u>	<u>-</u>
		<u>2,154,299</u>	<u>1,701,497</u>

SITEX SECURITY PRODUCTS LIMITED

NOTES TO THE ACCOUNTS AT 31 MARCH 1992 (Continued)

12 PROVISIONS FOR LIABILITIES AND CHARGES

	<u>1992</u>	<u>1991</u>
	£	£
Deferred tax	<u>132,350</u>	<u>132,350</u>

The liability for deferred taxation arises in respect of the revaluation of freehold property. A deferred tax asset of £97,938 (1991 : £95,038) has not been provided in the accounts. This primarily arises as a result of depreciation charges exceeding capital allowances.

13 OPERATING LEASE COMMITMENTS

	<u>1992</u>	<u>1991</u>
	£	£
Annual commitments under operating leases expire as follows:		
Land and buildings:		
Less than one year	5,640	-
Over five years	<u>95,624</u>	<u>82,000</u>
	<u>101,264</u>	<u>82,000</u>
Motor vehicles:		
Two to five years	<u>78,945</u>	-

SITEX SECURITY PRODUCTS LIMITED

NOTES TO THE ACCOUNTS AT 31 MARCH 1992 (Continued)

14	SHARE CAPITAL	<u>1992</u>	<u>1991</u>
		£	£
	Authorised		
	Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
	Issued and fully paid		
	Ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>
15	RESERVES	<u>1992</u>	<u>1991</u>
		£	£
	Balance at 31 March 1991	3,234,716	2,359,097
	Retained profit for the year	2,707,248	875,619
		<hr/>	<hr/>
	Balance at 31 March 1992	<u>5,941,964</u>	<u>3,234,716</u>

16 GROUP ACCOUNTS

Under Section 228 of the Companies Act, group accounts are not required as the company is itself a wholly owned subsidiary undertaking of another company incorporated in the European Community.

17 PARENT COMPANIES

The company's ultimate parent company at 31 March 1992 is Sitex Group Limited which is incorporated in the United Kingdom and registered in England. Sitex Group Limited is also the parent undertaking of the largest and smallest group to consolidate the results of the company.

Copies of the accounts of Sitex Group Limited may be obtained from the Company Secretary, Sitex Group Limited, Polygon House, 18-20 Bromell's Road, London, SW4 0BG.