

Trident Safeguards Limited

FINANCIAL STATEMENTS

for the year ended

31 March 2003



Company Registration No. 2010534

Trident Safeguards Limited

DIRECTORS AND OFFICERS

DIRECTORS

JA O'Hara
JRS Boas
TF Mosimann (citizen of the USA)
W Purves
J Wright

SECRETARY

EAK Lester

COMPANY NUMBER

2010534 (England and Wales)

REGISTERED OFFICE

Thomas More Square
23 Thomas More Street
London
E1W 1XY

AUDITORS

Baker Tilly
2 Bloomsbury Street
London
WC1B 3ST

Trident Safeguards Limited

DIRECTORS' REPORT

The directors present their report and financial statements of Trident Safeguards Limited for the year ended 31 March 2003.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of providing security guard services.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £553,877.

The directors recommend payment of an ordinary dividend amounting to £313,815.

DIRECTORS

The following directors have held office since 1 April 2002:

JA O'Hara
JRS Boas
TF Mosimann (citizen of the USA)
W Purves
J Wright

DIRECTORS' INTERESTS IN SHARES

Directors' interests in the shares of the company, including family interests, were as follows:

	<i>Ordinary shares of £ 1 each</i>	
	31.3.03	1.4.02
JA O'Hara	121,500	114,000
JRS Boas	-	-
TF Mosimann (citizen of the USA)	39,750	39,750
W Purves	-	-
J Wright	10,460	10,460

EMPLOYEE INVOLVEMENT

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Trident Safeguards Limited

DIRECTORS' REPORT (CONTINUED)

DISABLED PERSONS

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants will be put to the members at the annual general meeting.

By order of the board



EAK Lester
Secretary

14 May 2003

Trident Safeguards Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRIDENT SAFEGUARDS LIMITED

We have audited the financial statements on pages 6 to 16.

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 opinion we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 Directors' Report 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 other information in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within the financial statements. Our responsibilities do not extend to any other information.

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 as at 31 March 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BAKER TILLY

Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London
WC1B 3ST

23 May 2003

Trident Safeguards Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2003

	Notes	2003 £	2002 £
TURNOVER	1	23,431,245	21,968,471
Cost of sales		(20,069,901)	(18,681,253)
Gross profit		3,361,344	3,287,218
Other operating expenses	2	(2,537,863)	(3,081,715)
OPERATING PROFIT		823,481	205,503
Investment income	3	2,331	3,206
		825,812	208,709
Interest payable	4	(14,133)	(14,115)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	811,679	194,594
Taxation	7	(257,802)	(211,462)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		553,877	(16,868)
Dividends	8	(313,815)	(313,815)
RETAINED PROFIT/(LOSS) FOR THE YEAR	13	240,062	(330,683)

The operating profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

Trident Safeguards Limited

BALANCE SHEET

31 March 2003

	Notes	2003 £	2002 £
FIXED ASSETS			
Tangible assets	9	159,547	176,330
CURRENT ASSETS			
Debtors	10	3,638,328	3,343,662
Cash at bank and in hand		669,941	393,721
		4,308,269	3,737,383
CREDITORS: Amounts falling due within one year	11	(3,534,339)	(3,220,298)
NET CURRENT ASSETS		773,930	517,085
TOTAL ASSETS LESS CURRENT LIABILITIES		933,477	693,415
CAPITAL AND RESERVES			
Called up share capital	12	209,210	209,210
Profit and loss account	13	724,267	484,205
SHAREHOLDERS' FUNDS	14	933,477	693,415

Approved by the board on 14 May 2003

J A O'Hara  Director

J Wright  Director

Trident Safeguards Limited

CASH FLOW STATEMENT

for the year ended 31 March 2003

	<i>Notes</i>	2003 £	2002 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	15	873,688	395,608
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		2,331	3,206
Interest paid		(14,133)	(14,115)
Net cash outflow for returns on investments and servicing of finance		(11,802)	(10,909)
TAXATION		(212,636)	(200,101)
CAPITAL EXPENDITURE			
Payments to acquire tangible assets		(59,215)	(52,089)
Net cash outflow for capital expenditure		(59,215)	(52,089)
EQUITY DIVIDENDS PAID		(313,815)	(248,438)
Net cash inflow/(outflow) before management of liquid resources and financing		276,220	(115,929)
FINANCING			
Issue of ordinary share capital		-	10,460
Net cash (outflow)/inflow from financing		-	10,460
INCREASE/(DECREASE) IN CASH IN THE YEAR		276,220	(105,469)

Trident Safeguards Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost less depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Computers and equipment	25% straight line
Fixtures, fittings & equipment	10% straight line

DEFERRED TAXATION

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

LEASED ASSETS

The annual rentals on 'operating leases' are charged to the profit and loss account on a straight line basis over the lease term.

PENSIONS CONTRIBUTIONS

The company operates an individual defined contribution pension scheme covering its senior executives. Contributions are made annually and charged to the profit and loss account.

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

Trident Safeguards Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2003

1. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit before taxation were all derived from its principal activity wholly undertaken in the United Kingdom.

2. OTHER OPERATING EXPENSES

	2003 £	2002 £
Administrative expenses	2,537,863	2,565,714
Amortisation on intangible assets	-	516,001
	<u>2,537,863</u>	<u>3,081,715</u>

3. INVESTMENT INCOME

	2003 £	2002 £
Bank interest	<u>2,331</u>	<u>3,206</u>

4. INTEREST PAYABLE

	2003 £	2002 £
On bank loans and overdrafts	7,706	12,110
On other loans	6,427	2,005
	<u>14,133</u>	<u>14,115</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2003 £	2002 £
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Amortisation of intangible assets	-	516,001
Depreciation of tangible assets:		
Charge for the year:		
owned assets	75,998	64,985
Operating lease rentals:		
Plant and machinery	24,770	48,192
Land and buildings	63,531	67,492
Auditors' remuneration	12,000	12,000
Remuneration of auditors for non-audit work	<u>12,600</u>	<u>6,591</u>

Included in other operating expenses is bad debt expenditure amounting to £nil (2002 - £86,834).

Trident Safeguards Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2003

6. EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was:	2003 No.	2002 No.
Office and security	1,200	1,160
	<u>£</u>	<u>£</u>
Staff costs for the above persons:		
Wages and salaries	19,503,987	18,216,361
Social security costs	1,728,167	1,596,247
Other pension costs	52,941	30,577
	<u>21,285,095</u>	<u>19,843,185</u>

DIRECTORS' REMUNERATION	2003 £	2002 £
Emoluments for qualifying services	289,142	277,468
Company pension contributions to money purchase schemes	17,925	17,425
	<u>307,067</u>	<u>294,893</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2002 - 2).

The number of directors who exercised share options during the year was 0 (2002 - 1).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	169,231	159,784
Company pension contributions to money purchase schemes	7,425	7,425
	<u>176,656</u>	<u>167,209</u>

Trident Safeguards Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2003

7. TAXATION	2003 £	2002 £
Domestic current year tax		
U.K. corporation tax	264,444	212,636
Adjustment for prior years	-	(1,174)
	<u>264,444</u>	<u>211,462</u>
Current tax charge		
Deferred tax		
Deferred tax charge/credit current year	(6,642)	-
	<u>257,802</u>	<u>211,462</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>811,679</u>	<u>194,594</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2002 : 30.00%)	<u>243,504</u>	<u>58,378</u>
Effects of:		
Non deductible expenses	30,243	167,842
Capital allowances in excess of depreciation	5,718	4,675
Adjustments to previous periods	-	(1,174)
Small companies marginal rate relief	(15,021)	(18,259)
	<u>20,940</u>	<u>153,084</u>
Current tax charge	<u>264,444</u>	<u>211,462</u>
8. DIVIDENDS	2003 £	2002 £
Ordinary:		
Final proposed - £1.50 (2002 - £1.50)	<u>313,815</u>	<u>313,815</u>

Trident Safeguards Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2003

9. TANGIBLE FIXED ASSETS

	<i>Computers and equipment</i>	<i>Fixtures, fittings & equipment</i>	<i>Total</i>
	£	£	£
Cost			
1 April 2002	414,725	74,373	489,098
Additions	53,722	5,493	59,215
31 March 2003	468,447	79,866	548,313
Depreciation			
1 April 2002	265,895	46,873	312,768
Charge in the year	68,164	7,834	75,998
31 March 2003	334,059	54,707	388,766
Net book value			
31 March 2003	134,388	25,159	159,547
31 March 2002	148,830	27,500	176,330

10. DEBTORS

	2003	2002
	£	£
Due within one year:		
Trade debtors	3,533,280	3,256,393
Other debtors	15,126	9,036
Prepayments and accrued income	89,922	78,233
	3,638,328	3,343,662

Other debtors includes a deferred tax asset as follows:

	2003	2002
	£	£
Accelerated capital allowances	5,397	-
Other timing differences	1,245	-
	6,642	-

Trident Safeguards Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2003

11. CREDITORS: Amounts falling due within one year	2003	2002
	£	£
Trade creditors	66,647	116,112
Corporation tax	264,444	212,636
Other taxes and social security costs	1,831,110	1,653,152
Other creditors	667,326	595,898
Accruals and deferred income	390,997	328,685
Proposed dividend	313,815	313,815
	<u>3,534,339</u>	<u>3,220,298</u>
12. SHARE CAPITAL	2003	2002
	£	£
Authorised:		
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
Allotted, issued and fully paid:		
209,210 Ordinary shares of £1 each	<u>209,210</u>	<u>209,210</u>
13. STATEMENT OF MOVEMENT ON RESERVES		
		<i>Profit and loss account</i>
		£
1 April 2002		484,205
Retained profit for the year		<u>240,062</u>
31 March 2003		<u>724,267</u>
14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2003	2002
	£	£
Profit/(Loss) for the financial year	553,877	(16,868)
Dividends	<u>(313,815)</u>	<u>(313,815)</u>
	240,062	(330,683)
Proceeds from issue of shares	-	<u>10,460</u>
Net addition to/(depletion in) shareholders' funds	<u>240,062</u>	<u>(320,223)</u>
Opening shareholders' funds	693,415	1,013,638
Closing shareholders' funds	<u>933,477</u>	<u>693,415</u>

Trident Safeguards Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 March 2003

15. CASH FLOWS	2003	2002
	£	£
a. Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	823,481	205,503
Depreciation of tangible assets	75,998	64,985
Amortisation of intangible assets	-	516,001
Increase in debtors	(288,024)	(330,750)
Increase/(decrease) in creditors within one year	262,233	(60,131)
Net cash inflow from operating activities	<u>873,688</u>	<u>395,608</u>

b. Analysis of net funds	1 April 2002	Cash flow	Other non-cash changes	31 March 2003
	£	£	£	£
Net cash:				
Cash at bank and in hand	<u>393,721</u>	<u>276,220</u>	-	<u>669,941</u>
Net funds	<u>393,721</u>	<u>276,220</u>	-	<u>669,941</u>

c. Reconciliation of net cash flow to movement in net debt	2003	2002
	£	£
Increase/(decrease) in cash in the year	<u>276,220</u>	<u>(99,369)</u>
Movement in net funds in the year	<u>276,220</u>	<u>(99,369)</u>
Opening net funds	<u>393,721</u>	<u>493,090</u>
Closing net funds	<u>669,941</u>	<u>393,721</u>

16. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2003 the company had annual commitments under non-cancellable operating leases as follows:

	2003	2002
	£	£
Land and buildings expiring in the second to fifth year	62,986	62,986
Plant and machinery expiring in the first year	3,879	19,469
expiring in the second to fifth year	8,974	14,725
	<u>75,839</u>	<u>97,180</u>

17. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £52,941 (2002 - £29,214)

Trident Safeguards Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2003

18. CONTROL

The controlling party of the company is JA O'Hara, the Chairman and majority shareholder.

19. DIRECTORS' INTERESTS IN SHARE OPTIONS

In addition to their interests in shares, the directors have the following interests in share options.

	Number of options at 1 April 2002 and 31 March 2003	Exercise price £	Date from which exercisable	Expiry date
J Wright	11,622	17.21	20/5/01	20/5/11