

Trident Safeguards Limited
REPORT AND FINANCIAL STATEMENTS

31 March 2000



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

REGISTERED OFFICE

Thomas More Square
23 Thomas More Street
London E1W 1XY

AUDITORS

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

Trident Safeguards Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Trident Safeguards Limited for the year ended 31 March 2000.

PRINCIPAL ACTIVITIES

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

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

During the year the business of Protective Security Systems Limited was successfully integrated into the company.

DIVIDENDS

The directors recommend the payment of a final dividend on the ordinary shares of 80p per share amounting to £159,000.

DIRECTORS

The following directors have held office since 1 April 1999:

JA O'Hara	
JRS Boas	
A Griffiths	(resigned 30 September 1999)
TF Mosimann	(Citizen of the USA)
Sir William Purves	(appointed 4 October 1999)
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>	
	31/3/00	31/3/99
JA O'Hara	114,000	114,000
JRS Boas	-	-
TF Mosimann	39,750	39,750
Sir William Purves	-	-
J Wright	-	-

Trident Safeguards Limited

DIRECTORS' REPORT

YEAR 2000 COMPLIANCE

The problems associated with computer and digital systems using data which can accommodate the Year 2000 and beyond are well publicised. This is a complex and pervasive issue and the operation of our business not only depends on our own systems but also to some degree on those of our suppliers, bankers, customers and any one else associated with our business. This could expose us to risks in the event that there is a failure by other parties to address their own Year 2000 issues.

The directors believe that the potential risks to the business have been reviewed and reasonable steps have or are being taken to deal with the Year 2000 issues within the company.

The costs to-date associated in dealing with the above issues have been absorbed within the normal running costs of the business and no significant further costs are expected to be incurred.

INTRODUCTION OF THE EURO

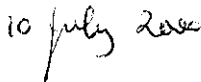
All relevant parts of the company will be able to handle euro transactions when required.

AUDITORS

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

By order of the board

EAK Lester
Secretary



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 group and of the profit or loss of the group 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; and
- 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 requirements of 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.

AUDITORS' REPORT TO THE MEMBERS OF TRIDENT SAFEGUARDS LIMITED

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

Respective responsibilities of directors and auditors

As described on page 4 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.

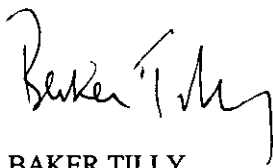
Basis of opinion

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 31 March 2000 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

Trident Safeguards Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2000

	Notes	2000 £	1999 Total £
TURNOVER	1	16,451,859	10,952,076
Cost of sales		(13,761,367)	(9,071,016)
Gross profit		<u>2,690,492</u>	<u>1,881,060</u>
Administrative expenses		(2,034,459)	(1,669,927)
OPERATING PROFIT	2	<u>656,033</u>	<u>211,133</u>
Income from shares in group undertakings		-	844,283
Elimination of cost of group undertakings		-	(650,000)
Interest receivable		3,483	3,239
Interest payable	3	(33,179)	(30,736)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>626,337</u>	<u>377,919</u>
Taxation	5	(192,883)	(73,074)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>433,454</u>	<u>304,845</u>
Dividends	6	(159,000)	(119,250)
RETAINED PROFIT FOR THE YEAR	13	<u><u>274,454</u></u>	<u><u>185,595</u></u>

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 2000

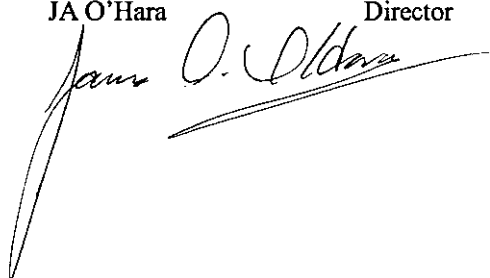
	Notes	2000 £	1999 £
FIXED ASSETS			
Intangible assets	7	585,186	654,371
Tangible assets	8	127,574	75,412
		<u>712,760</u>	<u>729,783</u>
CURRENT ASSETS			
Debtors	10	2,622,335	3,022,269
Cash at bank and in hand		720	183,348
		<u>2,623,055</u>	<u>3,205,617</u>
CREDITORS: Amounts falling due within one year	11	(2,506,860)	(3,380,899)
NET CURRENT ASSETS/(LIABILITIES)		<u>116,195</u>	<u>(175,282)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>828,955</u>	<u>554,501</u>
CAPITAL AND RESERVES			
Called up share capital	12	198,750	198,750
Profit and loss account	13	630,205	355,751
SHAREHOLDERS' FUNDS	13	<u>828,955</u>	<u>554,501</u>

Approved by the board on

10 July 2000

JA O'Hara

Director



Trident Safeguards Limited

CASH FLOW STATEMENT

for the year ended 31 March 2000

	<i>Notes</i>	2000 £	1999 £
Cash flow from operating activities	14a	343,327	138,096
Returns on investments and servicing of finance	14b	(29,696)	(27,677)
Taxation		(93,172)	(30,726)
Capital expenditure and financial investment	14b	(88,917)	2,061
Equity dividends paid		(119,250)	-
Acquisitions and disposals	14b	-	(661,273)
CASH OUTFLOW BEFORE USE OF LIQUID RESOURCES AND FINANCING		12,292	(579,519)
Financing	14b	(400,000)	400,000
DECREASE IN CASH IN THE PERIOD		(387,708)	(179,519)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN DEBT

	£	£
Decrease in cash in the period	(387,708)	(179,519)
Cash out/(in)flow from increase in debt financing	400,000	(400,000)
MOVEMENT IN NET DEBT IN PERIOD	12,292	(579,519)
NET DEBT AT 31 March 1999	(216,652)	362,867
NET DEBT AT 31 March 2000	14c	(204,360)

Trident Safeguards Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

PURCHASED GOODWILL

Goodwill representing the excess of the purchase price compared with the fair value of assets acquired is capitalised and written off over 10 years as in the opinion of the directors this represents the period over which the goodwill is effective.

TANGIBLE FIXED ASSETS

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

Equipment and computers	25% straight line
Fixtures, fittings and office equipment	10% straight line.

DEFERRED TAXATION

Provision is made for taxation deferred or accelerated by the effect of timing differences, to the extent that it is probable that a liability will crystallise, at the rate expected to be ruling at that date.

LEASES

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

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 2000

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit before taxation were all derived from its principal activity on sales which were made in the United Kingdom.

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION 2000 1999
£ £

Profit on ordinary activities before taxation is stated after charging:

Depreciation and amounts written off tangible fixed assets:

Charge for the year:

owned assets	36,755	37,011
Amortisation	69,185	-
Auditors' audit fees	10,500	10,790
Auditors' non-audit fees	16,625	-

3 INTEREST PAYABLE 2000 1999
£ £

On bank loans, overdrafts and other loans repayable within 5 years:

Bank overdrafts	31,138	27,522
Other interest	2,041	3,866
	<u>33,179</u>	<u>31,388</u>

4 EMPLOYEES 2000 1999
No. No.

The average weekly number of persons (including directors) employed by the company during the year was:

Office and security	970	854
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Staff costs for the above persons:

Wages and salaries	13,277,684	9,018,378
Social security costs	1,163,129	831,239
Other pension costs	49,758	29,967
	<u>14,490,571</u>	<u>9,879,584</u>

DIRECTORS' REMUNERATION 2000 1999
£ £

Emoluments	256,737	211,764
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Highest paid director	105,000	99,279
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Trident Safeguards Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2000

		2000 £	1999 £
5	TAXATION		
	Based on the profit for the year:		
	UK corporation tax	193,076	91,609
	Prior year overprovision	(193)	-
		<u>192,883</u>	<u>91,609</u>
		<u><u>192,883</u></u>	<u><u>91,609</u></u>
		2000 £	1999 £
6	DIVIDENDS		
	Ordinary:		
	Final outstanding - 80p (1999: 60p)	159,000	119,250
		<u>159,000</u>	<u>119,250</u>
		<u><u>159,000</u></u>	<u><u>119,250</u></u>
7	INTANGIBLE FIXED ASSETS		<i>Goodwill</i> £
	Cost		
	1 April 1999 and 31 March 2000		691,846
			<u><u>691,846</u></u>
	Amortisation		
	1 April 1999		37,475
	Charge for the year		69,185
			<u>106,660</u>
			<u><u>106,660</u></u>
	Net book value		
	31 March 2000		585,186
			<u><u>585,186</u></u>
	31 March 1999		654,371
			<u><u>654,371</u></u>

Trident Safeguards Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2000

8	TANGIBLE FIXED ASSETS	<i>Equipment</i> £	<i>Fixtures and fittings</i> £	<i>Total</i> £
	Cost			
	1 April 1999	241,277	56,426	297,703
	Additions	88,917	-	88,917
	31 March 2000	330,194	56,426	386,620
	Depreciation			
	1 April 1999	193,145	29,146	222,291
	Charged in the year	31,090	5,665	36,755
	31 March 2000	224,235	34,811	259,046
	Net book value			
	31 March 2000	105,959	21,615	127,574
	31 March 1999	48,132	27,280	75,412

9 FIXED ASSET INVESTMENTS

The company holds more than 20% of the equity of the following companies at the balance sheet date.

Name of company	Holding	Proportion held	Nature of business
Protective Security Systems	Ordinary shares	100%	Dormant

The company has not produced group accounts in respect of its subsidiary undertaking, as the company has taken advantage of the exemptions provided by section 229 of the Companies Act 1985. The subsidiary undertaking has been excluded on the grounds of immateriality.

Therefore, the financial statements present information about the company as an individual undertaking and not about its group.

For each undertaking in which the group holds more than 20% of the equity, the aggregate amount of share capital and reserves at the end of its financial year and profit or loss for that year was as follows:

	Aggregate amount of its share capital and reserves 2000 £	Result for the year 2000 £	Aggregate amount of its share capital and reserves 1999 £	Result for the year 1999 £
Protective Security Systems Limited	100	-	100	(120,215)

Trident Safeguards Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2000

10	DEBTORS	2000 £	1999 £
	Due within one year:		
	Trade debtors	2,562,244	2,053,452
	Other debtors	13,507	18,950
	Prepayments	42,666	101,666
	Income due from shares in group undertaking	-	844,283
		<u>2,618,417</u>	<u>3,018,351</u>
	Due in more than one year:		
	ACT recoverable	3,918	3,918
		<u>2,622,335</u>	<u>3,022,269</u>

11	CREDITORS: Amounts falling due within one year	Group 2000 £	1999 £
	Bank loan and overdrafts	205,080	400,000
	Trade creditors	97,487	81,777
	Proposed dividends	159,000	119,250
	Corporation tax	193,076	93,365
	Other taxation and social security costs	1,111,553	1,114,356
	Other creditors	2,457	91,490
	Accruals	592,035	496,438
	Deferred income	146,172	139,840
	Due to subsidiary undertaking	-	844,383
		<u>2,506,860</u>	<u>3,380,899</u>

The bank loan is secured by a debenture over the assets of Trident Safeguards Limited.

12	SHARE CAPITAL	2000 £	1999 £
	Authorised:		
	500,000 ordinary shares of £1 each	500,000	500,000
	Allotted, issued and fully paid:		
	198,750 ordinary shares of £1 each	198,750	198,750

Trident Safeguards Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2000

13	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	Share	Profit and	Total
		capital	loss account	shareholders'
		£	£	funds
				£
	Opening shareholders' funds	198,750	355,751	554,501
	Profit for the financial year	-	433,454	433,454
	Dividend	-	(159,000)	(159,000)
	Closing shareholders' funds	198,750	630,205	828,955
14	CASH FLOWS		2000	1999
			£	£
a	Reconciliation of operating profit to net cash inflow from operating activities			
	Operating profit		656,033	347,266
	Depreciation		36,755	37,011
	Amortisation		69,185	-
	Increase in debtors		399,934	(655,669)
	Increase in creditors		(818,580)	409,488
	Net cash flow from operating activities		343,327	138,096
			2000	1999
			£	£
b	Analysis of cash flows for headings netted in the cash flow			
	Returns on investments and servicing of finance			
	Interest received		3,483	3,711
	Interest paid		(33,179)	(31,388)
	Net cash outflow for returns on investment and servicing of finance		(29,696)	(27,677)
	Capital expenditure and financial investment			
	Purchase of tangible fixed assets		(88,917)	(13,500)
	Fair value of fixed assets acquired on acquisition		-	15,561
	Net cash (out)/inflow for capital expenditure and financial investment		(88,917)	2,061
	Acquisitions and disposals			
	Purchase of subsidiary undertakings		-	(691,846)
	Cash acquired with subsidiary		-	30,573
	Net cash outflow for acquisitions and disposals		-	(661,273)
	Financing			
	Debt due within one year: Increase in short term borrowings		-	450,000
	: repayment of secured loan		(400,000)	(50,000)
	Net cash (out)/inflow from financing		(400,000)	400,000

Trident Safeguards Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2000

14 CASH FLOWS (*continued*)

c	Analysis of net debt	At 1 April 1999 £	Cash flow £	At 31 March 2000 £
	Cash in hand, at bank	183,348	(182,628)	720
	Overdrafts	-	(205,080)	(205,080)
			(387,708)	
	Debt due after 1 year	(400,000)	400,000	-
	Total	(216,652)	12,292	(204,360)

15 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2000 the company had annual commitments under non-cancellable operating leases as follows:

	2000 £	1999 £
Land and buildings expiring in the second to fifth year	62,986	62,986
Other expiring in the first year	10,707	4,135
expiring in the second to fifth year	23,315	31,535
	97,008	98,656

16 ULTIMATE CONTROLLING PARTY

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