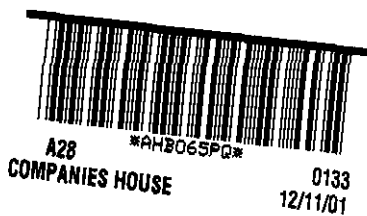


SECURITY MANAGEMENT & DESIGN LIMITED

COMPANY No. 2873811

ACCOUNTS FOR THE
YEAR ENDED 31ST AUGUST 2001

HAWDON BELL & CO
CHARTERED ACCOUNTANTS
4, NORTHUMBERLAND PLACE
NORTH SHIELDS
TYNE & WEAR



SECURITY AUDITORS LIMITED

ACCOUNTS FOR THE YEAR ENDED 31ST AUGUST 2001

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The following page does not form part of the Statutory Accounts

8. Trading and Profit and Loss Account

SECURITY MANAGEMENT & DESIGN LIMITEDREPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST AUGUST 2001

The directors present their report and the accounts for the year ended 31st August 2001.

Principal Activities

The principal activity of the company is unchanged from last year and is that of a security company.

Change of Company Name

On 25th July 2001 the company changed its name from Security Auditors Limited to Security Management & Design Limited.

Directors

The directors who served during the year and their beneficial interests in the company's issued ordinary share capital were as follows:-

	<u>Ordinary Shares of £1 each</u>	
	<u>2001</u>	<u>2000</u>
Mr. T. Trotter	40	40
Sir S.E. Bailey	-	-

This report was approved by the board on 22nd October 2001, and has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the board of directors,

Mr. T. Trotter
Director



SECURITY MANAGEMENT & DESIGN LIMITEDACCOUNTANT'S REPORT TO THE DIRECTORS
ON THE UNAUDITED ACCOUNTS FOR THE YEAR ENDED 31ST AUGUST 2001

We report on the accounts for the year ended 31st August 2001 set out on pages 3 to 7.

Responsibilities of directors

As described on page 4 the company's directors are responsible for the preparation of the accounts and they consider that the company is exempt from an audit.

Basis of opinion

Without performing an audit or detailed verification work our procedures consisted of comparing the accounts with the accounting records kept by the company and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurances expressed in our opinion.

Opinion

In our opinion:

- a) the accounts are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985.
- b) having regard only to, and on the basis of, the information contained in those accounting records:
 - i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249(c) of the Act, and
 - ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in Section 249A(4) of the Act and did not, at any time within that year fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).

Hawdon Bell & Co.
4, Northumberland Place
North Shields
Tyne & Wear
NE30 1QP



Chartered Accountants
22nd October 2001

SECURITY MANAGEMENT & DESIGN LIMITEDPROFIT AND LOSS ACCOUNT - YEAR ENDED 31ST AUGUST 2001

	<u>Notes</u>	<u>2001</u> <u>£</u>	<u>2000</u> <u>£</u>
TURNOVER	1(b)	-	6,481
NET OPERATING EXPENSES		1,891	3,488
OPERATING (LOSS)/PROFIT	2	(1,891)	2,993
TAXATION	3	(2)	359
(LOSS)/PROFIT AFTER TAXATION		(1,889)	2,634
DIVIDEND	4	-	18,000
LOSS FOR THE FINANCIAL YEAR		(1,889)	(15,366)
RETAINED PROFIT BROUGHT FORWARD		933	16,299
RETAINED LOSS CARRIED FORWARD		(956)	933

The notes on pages 5 to 7 form part of these accounts.

SECURITY MANAGEMENT & DESIGN LIMITEDBALANCE SHEET AS AT 31ST AUGUST 2001

	<u>Notes</u>	<u>2001</u>	<u>2000</u>
		£	£
FIXED ASSETS			
Tangible Assets	5	1,369	1,885
CURRENT ASSETS			
Debtors	6	335	401
Cash at Bank and in Hand		2,068	1,745
		<u>2,403</u>	<u>2,146</u>
CREDITORS			
Amounts due within one year	7	4,628	2,998
NET CURRENT LIABILITIES		<u>(2,225)</u>	<u>(852)</u>
		<u>(856)</u>	<u>1,033</u>
CAPITAL AND RESERVES			
Share Capital	8	100	100
Profit and Loss Account		(956)	933
Shareholders Funds		<u>(856)</u>	<u>1,033</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of Section 249A(1) of the Companies Act 1985. Shareholders holding 10% or more of the company's share capital have not issued a notice under Section 249B(2) requiring an audit. The directors acknowledge their responsibilities for maintaining proper accounting records which comply with Section 221 and for preparing accounts which, in accordance with the requirements of Section 226 give a true and fair view of the state of affairs of the company at 31st August 2001 and of its loss for the year then ended and which otherwise comply with the Companies Act 1985, so far as applicable to the company. The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

Approved by the board of directors on 22nd October 2001 and signed on its behalf.

Mr. T. Trotter
Director



The notes on pages 5 to 7 form part of these accounts.

SECURITY AUDITORS LIMITEDNOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST AUGUST 20011. PRINCIPAL ACCOUNTING POLICIESa) Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and incorporate the results of the principal activity which is described in the directors report and which is continuing.

b) Turnover

Turnover, which excludes value added tax, represents the invoiced value of goods and services supplied.

c) Cashflow Statement

The company has taken advantage of the exemption given to small companies in Financial Reporting Statement No 1 from producing a cashflow statement.

2. OPERATING PROFIT

	<u>2001</u> <u>£</u>	<u>2000</u> <u>£</u>
The operating profit/(loss) is stated after charging:-		
Depreciation of Tangible Fixed Assets	666	629
	<u> </u>	<u> </u>

3. TAXATION

	<u>2001</u> <u>£</u>	<u>2000</u> <u>£</u>
U.K. Corporation Tax on the ordinary trading activities	-	421
Overprovision in previous year	(2)	(62)
	<u> </u>	<u> </u>
	(2)	359
	<u> </u>	<u> </u>

4. DIVIDENDS

	<u>2001</u> <u>£</u>	<u>2000</u> <u>£</u>
Total dividends paid and proposed	-	18,000
	<u> </u>	<u> </u>

SECURITY AUDITORS LIMITEDNOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST AUGUST 20015. TANGIBLE FIXED ASSETS

	<u>Fixtures & Fittings</u> £
At 1st September 2000	2,514
Additions in the year	150
	<hr/>
At 31st August 2001	2,664
	<hr/>
DEPRECIATION	
At 1st September 2000	629
Charge for the year	666
	<hr/>
At 31st August 2001	1,295
	<hr/>
NET BOOK VALUE	
At 31st August 2001	1,369
	<hr/>
At 31st August 2000	1,885
	<hr/>

6. DEBTORS

	<u>2001</u> £	<u>2000</u> £
Amounts due within one year		
Prepayments	75	-
Other Debtors	100	100
Value Added Tax	160	301
	<hr/>	<hr/>
	335	401
	<hr/>	<hr/>

7. CREDITORS

	<u>2001</u> £	<u>2000</u> £
Amounts due within one year		
Trade Creditors	222	118
Other Creditors	1	1
Taxation	-	421
Accruals	370	370
Loan Account- J.M. Trotter	4,035	2,088
	<hr/>	<hr/>
	4,628	2,998
	<hr/>	<hr/>

8. SHARE CAPITAL

	<u>2001</u> £	<u>2000</u> £
Authorised, Issued and Fully Paid:-		
100 Ordinary Shares of £1 each	100	100
	<hr/>	<hr/>

SECURITY AUDITORS LIMITEDNOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST AUGUST 20019. CAPITAL EXPENDITURE

The directors at 31st August 2001 had not authorised any future capital expenditure. (2000: £ NIL)

10. TRANSACTIONS WITH DIRECTORS

The directors had no material interest in any contract entered into by the company during the financial year.