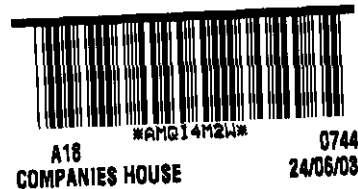


Company Registration No. 3365236 (England and Wales)

RAMPART SECURITY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2002



RAMPART SECURITY LIMITED

COMPANY INFORMATION

Directors	P. Rutt S. Rutt G. Kane
Secretary	S. Rutt
Company number	3365236
Registered office	The Carriage House, Guydens Farm, Oxford Road, Garsington Oxfordshire OX44 9AZ
Auditors	Pitt Godden & Taylor Brunel House George Street Gloucester GL1 1BZ
Business address	The Carriage House, Guydens Farm, Oxford Road, Garsington Oxfordshire OX44 9AZ

RAMPART SECURITY LIMITED

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RAMPART SECURITY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2002

The directors present their report and financial statements for the year ended 31 August 2002.

Principal activities

The principal activity of the company continued to be that of the provision of intruder alarms and security systems.

Directors

The following directors have held office since 1 September 2001:

P. Rutt
S. Rutt
G. Kane

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 August 2002	1 September 2001
P. Rutt	500	500
S. Rutt	500	500
G. Kane	-	-

	Ordinary "A" shares of £ 1 each	
	31 August 2002	1 September 2001
P. Rutt	83	83
S. Rutt	83	83
G. Kane	-	-

	Ordinary "unclassified" shares of £ 1 each	
	31 August 2002	1 September 2001
P. Rutt	6,996	6,996
S. Rutt	6,996	6,996
G. Kane	5,421	5,421

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Pitt Godden & Taylor be reappointed as auditors of the company will be put to the Annual General Meeting.

RAMPART SECURITY LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2002

Directors' responsibilities

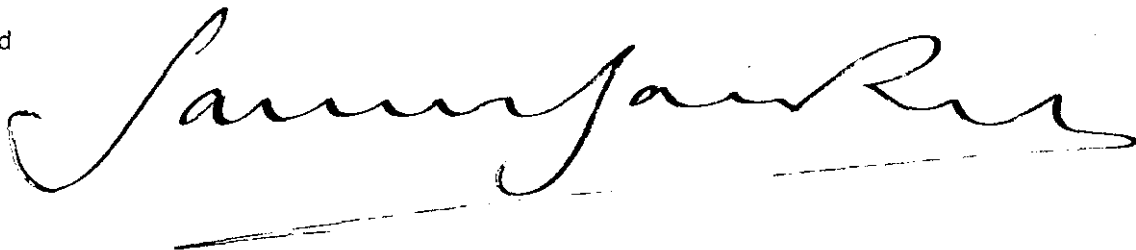
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board

A large, stylized handwritten signature in black ink, appearing to read 'S. Rutt', is written over a horizontal dashed line.

S. Rutt
Director

10 February 2003

RAMPART SECURITY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF RAMPART SECURITY LIMITED

We have audited the financial statements of Rampart Security Limited on pages 4 to 12 for the year ended 31 August 2002. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

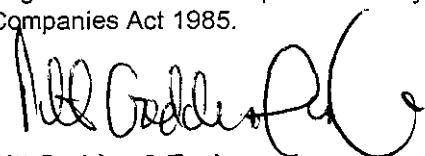
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 August 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Pitt Godden & Taylor

Chartered Accountants
Registered Auditor

10 February 2003

Brunel House
George Street
Gloucester
GL1 1BZ

RAMPART SECURITY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2002

	Notes	2002 £	2001 £
Turnover		1,095,115	1,061,321
Cost of sales		(600,297)	(603,726)
Gross profit		494,818	457,595
Administrative expenses		(430,469)	(415,500)
Other operating income		2,077	7,163
Operating profit	2	66,426	49,258
Investment income	3	-	1,731
Other interest receivable and similar income		3	27
Interest payable and similar charges		(1,235)	(4,622)
Profit on ordinary activities before taxation		65,194	46,394
Tax on profit on ordinary activities	4	(14,196)	(15,156)
Profit on ordinary activities after taxation		50,998	31,238
Dividends		(16,667)	(20,317)
Retained profit for the year	11	34,331	10,921

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

RAMPART SECURITY LIMITED

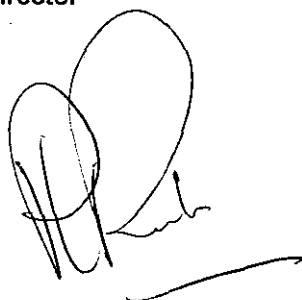
BALANCE SHEET AS AT 31 AUGUST 2002

	Notes	2002		2001	
		£	£	£	£
Fixed assets					
Tangible assets	5		16,388		20,452
Investments	6		1		1
			<u>16,389</u>		<u>20,453</u>
Current assets					
Stocks		32,628		54,121	
Debtors	7	270,665		399,482	
Cash at bank and in hand		1,984		1,704	
		<u>305,277</u>		<u>455,307</u>	
Creditors: amounts falling due within one year	8	<u>(239,057)</u>		<u>(427,482)</u>	
Net current assets			66,220		27,825
Total assets less current liabilities			<u>82,609</u>		<u>48,278</u>
Capital and reserves					
Called up share capital	10		27,079		27,079
Profit and loss account	11		55,530		21,199
Shareholders' funds - equity interests	12		<u>82,609</u>		<u>48,278</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 10 February 2003

P. Rutt
Director



RAMPART SECURITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	Over the life of the lease
Plant and machinery	25% Straight line basis
Fixtures, fittings & equipment	25% Reducing balance basis
Motor vehicles	25% Straight line basis

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

1.8 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.9 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.10 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

RAMPART SECURITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2002

2	Operating profit	2002	2001
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	6,714	6,422
	Operating lease rentals	58,261	69,920
	Auditors' remuneration	6,000	6,670
	Directors' emoluments	118,597	84,883
	and after crediting:		
	Profit on disposal of tangible assets	-	(1,494)
		<u> </u>	<u> </u>
The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2001 - 2).			
3	Investment income	2002	2001
		£	£
	Income from shares in group undertakings	-	1,731
		<u> </u>	<u> </u>
4	Taxation	2002	2001
		£	£
	Domestic current year tax		
	U.K. corporation tax	14,500	15,081
	Adjustment for prior years	(304)	75
		<u> </u>	<u> </u>
	Current tax charge	14,196	15,156
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	65,194	46,394
		<u> </u>	<u> </u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2001 : 20.00%)	12,387	9,279
		<u> </u>	<u> </u>
	Effects of:		
	Non deductible expenses	1,407	1,243
	Depreciation add back	1,275	986
	Capital allowances	(1,250)	(1,898)
	Adjustments to previous periods	(304)	75
	Other tax adjustments	681	5,471
		<u> </u>	<u> </u>
		1,809	5,877
		<u> </u>	<u> </u>
	Current tax charge	14,196	15,156
		<u> </u>	<u> </u>

RAMPART SECURITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2002

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 September 2001	52,785
Additions	2,650
	<hr/>
At 31 August 2002	55,435
	<hr/>
Depreciation	
At 1 September 2001	32,333
Charge for the year	6,714
	<hr/>
At 31 August 2002	39,047
	<hr/>
Net book value	
At 31 August 2002	16,388
	<hr/>
At 31 August 2001	20,452
	<hr/>

RAMPART SECURITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2002

6 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 1 September 2001 & at 31 August 2002	<u>1</u>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Rampart Direct Limited	England	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves 2002 £	Profit for the year 2002 £
Rampart Direct Limited	<u>1</u>	<u>-</u>

7 Debtors

	2002 £	2001 £
Trade debtors	201,833	287,516
Other debtors	68,832	111,966
	<u>270,665</u>	<u>399,482</u>

RAMPART SECURITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2002

8 Creditors: amounts falling due within one year	2002 £	2001 £
Bank loans and overdrafts	1,179	58,238
Trade creditors	85,419	235,549
Amounts owed to group undertakings and undertakings in which the company has a participating interest	1	1
Taxation and social security	60,748	48,896
Other creditors	91,710	84,798
	<u>239,057</u>	<u>427,482</u>
Debt due in one year or less	-	<u>37,500</u>

9 Pension costs

Defined contribution

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.

	2002 £	2001 £
Contributions payable by the company for the year	<u>6,800</u>	<u>1,800</u>

10 Share capital	2002 £	2001 £
Authorised		
1,500 Ordinary shares of £ 1 each	1,500	1,500
474 Ordinary "A" shares of £ 1 each	474	474
98,026 Ordinary "unclassified" shares of £ 1 each	98,026	98,026
	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
1,500 Ordinary shares of £ 1 each	1,500	1,500
166 Ordinary "A" shares of £ 1 each	166	166
25,413 Ordinary "unclassified" shares of £ 1 each	25,413	25,413
	<u>27,079</u>	<u>27,079</u>

The 'A' Shares do not carry any right to attend or vote at meetings of the company.

RAMPART SECURITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2002

11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 September 2001	21,199
Retained profit for the year	34,331
	<hr/>
Balance at 31 August 2002	55,530
	<hr/>

12 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Profit for the financial year	50,998	31,238
Dividends	(16,667)	(20,317)
	<hr/>	<hr/>
	34,331	10,921
Cost of share issue written off to share premium account	-	(24,583)
	<hr/>	<hr/>
Net addition to/(depletion in) shareholders' funds	34,331	(13,662)
Opening shareholders' funds	48,278	61,940
	<hr/>	<hr/>
Closing shareholders' funds	82,609	48,278
	<hr/>	<hr/>

13 Financial commitments

At 31 August 2002 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2002	2001	2002	2001
	£	£	£	£
Expiry date:				
Within one year	17,496	16,543	-	23,760
Between two and five years	-	-	22,700	-
	<hr/>	<hr/>	<hr/>	<hr/>
	17,496	16,543	22,700	23,760
	<hr/>	<hr/>	<hr/>	<hr/>

RAMPART SECURITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2002

14 Transactions with directors

The following directors had interest free loans during the year. The movement on these loans are as follows:

	Amount outstanding		Maximum in year
	2002 £	2001 £	
P. Rutt account	12,000	-	12,000
	<u> </u>	<u> </u>	<u> </u>