

Security Group Distribution Ltd

Report of the Directors

The directors submit their annual report and financial statements for the year ended 30th June 1999.

Review of the Business

The company has completed its second year of trading with an increase in turnover and an upturn in profitability. The principle activity of the company continued to be the supply of wholesale security equipment.

Results and Dividends

The results for the year are set out in the attached profit and loss account.

Directors

The directors during the year and the interests of those who held office at 30th June 1999 were as follows:

Ordinary shares of £1 each

Mr M Thomas	1
Mr P Thomas	<u>1</u>
	<u>2</u>

Advantage has been taken in the preparation of the report of special exemptions applicable to small companies.

By order of the Board

Mr P Thomas
Secretary

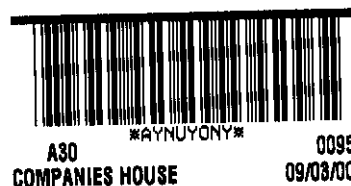


10/2/00

Registered Office

Unit 2
35 Brislington Hill
Bristol
BS4 5BE

Company no 3373756



Profit and Loss Account for the year ended 30th June 1999

		Previous Year
Turnover	£ 90,809.00	£ 66,190.00
Cost of Sales	£ 84,404.00	£ 53,551.00
Gross Profit	£ 6,405.00	£ 12,639.00
Operating Expenses	£ 18,394.00	£ 17,441.00
Operating Profit (Loss)	£ 11,989.00	-£ 4,802.00
Interest payable	£ -	£ 177.00
Profit(Loss) before Tax and Dividends	-£ 11,989.00	-£ 4,979.00
Taxation		
Dividends		
Retained Profit(Loss) for the year	-£ 11,989.00	-£ 4,979.00
Retained Profit (Loss) b/f	-£ 4,979.00	£ -
Retained Loss c/f	-£ 16,968.00	-£ 4,979.00

Balance Sheet at 30th June 1999

		Prevoius Year
Fixed Assets		
Tangible Assets	£ 110.00	£ 160.00
Current Assets		
Debtors	£ 30,693.00	£ 19,769.00
Cash at Bank	£ -	£ 8.00
	<u>£ 30,693.00</u>	<u>£ 19,777.00</u>
Current Liabilities		
Creditors(Amounts falling due within one year)	£ 34,297.00	£ 24,914.00
Bank Overdraft	£ 3,471.00	
Net Current Liabilities	-£ 7,075.00	-£ 5,137.00
Creditors (Amounts falling due after one year)	£ -	£ -
Net Liabilities	-£ 6,965.00	-£ 4,977.00
Capital and Reserves		
Share Capital	£ 2.00	£ 2.00
Profit and Loss Account	-£ 16,967.00	-£ 4,979.00
Loan	£ 10,000.00	£ -
	-£ 6,965.00	-£ 4,977.00

Balance Sheet as at 30th June 1999 (cont')

The financial statements were approved by the Board of Directors on 10th February 00

For the year in question, the company was entitled to exemption from an audit under section 249(1) of the Companies Act 1985. No notice has been deposited under section 249(2) of the Act in relation to the accounts for the financial year. The directors acknowledge their responsibilities for:

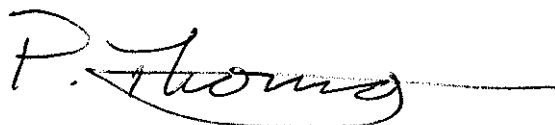
1. ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985; and
2. preparing accounts which give a true and fair view of the state of affairs of the company, as at the end of the financial year, and of its profit or loss for the financial year in accordance with the requirements of section 226 of the Companies Act 1985, and which otherwise comply with the requirements of that Act relating to accounts, so far as is applicable to the company.

Advantage has been taken, in the preparation of the accounts, of special exemptions applicable to small companies on the grounds that, in the opinion of the directors, the company qualifies as a small company under S246 and S247 of the Companies Act 1985.

Mr M Thomas



Mr P Thomas



18/2/00

Notes to the Financial Statements for the year ended 30th June 1999

1. Accounting Policies

a. Basis of Accounting

These accounts have been prepared in accordance with the historical cost convention and in accordance with applicable accounting standards.

b. Turnover

Turnover is the total amount excluding value added tax receivable by the company for services provided.

c. Depreciation

Depreciation is calculated to write down the cost of assets less their estimated residual value by equal amounts over their expected useful lives.

The expected useful lives of the assets have been taken as:

Office Equipment @ 25% per annum of cost.

2. Profit on ordinary activities before taxation is stated after charging or including

	1999 £	1998 £
Directors remuneration	£6708	nil
Depreciation	£50	£53
3. Interest Receivable	nil	nil
4. Interest Payable		
Bank loans and overdrafts repayable within Five years	£ 254	£177

Security Group Distribution Ltd Notes to the Financial Statements (cont')

Tangible Fixed Assets

	Equipment	Total
Cost at 1 July 1998	£ 213.00	£ 213.00
Depreciation		
At 1 July 1998	£ 53.00	£ 53.00
Provided	£ 50.00	£ 50.00
at 30 June 1999	£ 103.00	£ 103.00
Net Book Value		
At 1 July 1998	£ 160.00	£ 160.00
At 30 June 1999	£ 110.00	£ 110.00

Debtors

		Previous Year
Stock	£ 5,120.00	£ 6,672.00
Trade debtors	£ 24,823.00	£ 11,005.00
Vat	£ -	£ 1,199.00
Prepayments	£ 750.00	£ 893.00
	£ 30,693.00	£ 19,769.00

Creditors

Trade Creditors	£ 25,880.00	£ 13,559.00
Accruals	£ 7,208.00	£ 874.00
Vat	£ 1,209.00	£ 481.00
Short Term Loan	£ -	£ 10,000.00
	£ 34,297.00	£ 24,914.00

Share Capital

Authorised		
1000 Ordinary Shares of £1 each	<u>£ 1,000.00</u>	<u>£ 1,000.00</u>
Issued		
2 Ordinary Shares of £1 each called up and fully paid	<u>£ 2.00</u>	<u>£ 2.00</u>