

GAMMA 2000 LIMITED
DIRECTOR'S REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST MAY 2001



Martin and Company
Chartered Accountants
25 St Thomas Street
Winchester
Hampshire
SO23 9DD

Company No. 03684793

GAMMA 2000 LIMITED

COMPANY INFORMATION

Director	Mr W.L. Nelson
Secretary	Mrs P.L. Nelson
Company Number	03684793
Registered Office	25 St Thomas Street Winchester Hampshire SO23 9DD
Accountants	Martin and Company 25 St Thomas Street Winchester Hampshire SO23 9DD
Solicitors	Dutton Gregory Trussell House 23 St Peter Street Winchester Hampshire SO23 8BT
Bankers	Barclays Bank plc 50 Jewry Street Winchester Hampshire SO23 8TN

GAMMA 2000 LIMITED

DIRECTOR'S REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST MAY 2001

CONTENTS

	Page
Director's Report	1
Accountants' Report	2
Profit and Loss Account	3
Balance Sheet	4 to 5
Notes to the Accounts	6 to 10

GAMMA 2000 LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31ST MAY 2001

The director presents his report together with the accounts for the year from incorporation to 31st May 2001.

Principal Activities

The company's principal activity is that of the supply of security equipment.

Director

The director who served during the year and his beneficial interest in the company's issued share capital was:

	Ordinary Shares	
	31st	1st
	May	June
	2001	2000
Mr W.L. Nelson	2	2

Director's Responsibilities

Company law requires the director to prepare accounts for each financial year which give a true and fair view of the state of the company's affairs and of the profit or loss for that year. In preparing these accounts the director is required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

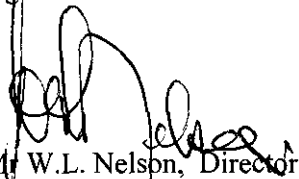
Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and enable him to ensure that the accounts comply with the Companies Act 1985. He is 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.

Small company exemptions

The above report 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 W.L. Nelson, Director

26.3.02

Approved by the Board:

MARTIN AND COMPANY

CHARTERED ACCOUNTANTS

25 ST THOMAS STREET, WINCHESTER, SO23 9DD

TELEPHONE (01962) 844300 FAX (01962) 844244

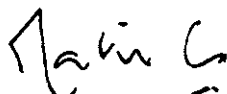
E-mail: info@martin-company.co.uk

ACCOUNTANTS' REPORT TO THE DIRECTORS

ON THE UNAUDITED ACCOUNTS OF

GAMMA 2000 LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31st May 2001, set out on pages 3 to 10, and you consider that the company is exempt from an audit and a report under Section 249A(1) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.



Martin and Company
Chartered Accountants
25 St Thomas Street
Winchester
Hampshire
SO23 9DD
Date: 26th March 2002

GAMMA 2000 LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MAY 2001

	Notes	2001 £	2000 £
Turnover	2	955,889	572,012
Cost of Sales		463,752	426,142
Gross Profit		492,137	145,870
Administrative Expenses		470,652	164,166
Operating Profit/Loss	3	21,485	(18,296)
Interest Payable and Similar Charges	4	(926)	(415)
Profit/Loss on Ordinary Activities before Taxation		20,559	(18,711)
Tax on profit/loss on ordinary activities	5	(6,266)	-
Profit/Loss for the Financial Year		14,293	(18,711)
Retained Loss Brought Forward		(18,711)	-
Retained Loss Carried Forward		(4,418)	(18,711)

GAMMA 2000 LIMITED

BALANCE SHEET

AS AT 31ST MAY 2001

	Notes	2001	2000
		£	£
Fixed Assets			
Intangible assets	7	10,500	14,000
Tangible assets	8	8,408	10,645
		<hr/> 18,908	<hr/> 24,645
Current Assets			
Debtors	9	233,339	61,834
Cash at bank and in hand		12,396	109,269
		<hr/> 245,735	<hr/> 171,103
Creditors: Amounts Falling Due Within One Year	10	269,059	209,631
		<hr/>	<hr/>
Net Current Liabilities		(23,324)	(38,528)
Total Assets Less Current Liabilities		<hr/> (4,416)	<hr/> (13,883)
Creditors: Amounts Falling Due After More Than One Year	11	-	4,826
		<hr/> (4,416)	<hr/> (18,709)
		<hr/>	<hr/>
Capital and Reserves			
Share capital	13	2	2
Profit and loss account		(4,418)	(18,711)
		<hr/>	<hr/>
Shareholders' Funds		(4,416)	(18,709)
		<hr/>	<hr/>

The director is of the opinion that the company is entitled to exemption from audit conferred by Subsection 1 of Section 249A of the Companies Act 1985 for the year ended 31st May 2001.

The director confirms that no member or members have requested an audit pursuant to Subsection 2 of Section 249B of the Companies Act 1985.

The director confirms that he is responsible for:

ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985,

and preparing accounts which give a true and fair view of the state of the affairs of the company as at the end of the financial year and of its results 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 this Act relating to accounts, so far as applicable to the company.


GAMMA 2000 LIMITED

BALANCE SHEET

AS AT 31ST MAY 2001

The accounts 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 (effective March 2000).

Signed on behalf of the Board of Directors



Mr W.L. Nelson
Director

Approved by the Board:

26.3.02

GAMMA 2000 LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MAY 2001

1 Accounting Policies

Basis of Accounting

The Accounts have been prepared under the historical cost convention.

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

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their expected useful lives. The rates and periods generally applicable are:

Motor vehicles	25% per annum
Furniture and equipment	25% per annum

Goodwill

Purchased goodwill is amortised on a straight-line basis over its estimated useful economic life of five years.

Long Term Contracts

The attributable profit on long term contracts is recognised once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to date on the project.

Costs associated with long term contracts are included in the work in progress to the extent that they cannot be matched with contract work accounted for as turnover. Long term contract balances included in work in progress are stated at cost, after provision has been made for any foreseeable losses and the deduction of applicable payments on account.

Full provision is made for losses on all contracts in the year in which the loss is first foreseen.

Deferred Taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Debit balances arising in respect of advance corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

Foreign Currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Where exchange differences result from the translation of foreign currency borrowings raised to acquire foreign assets they are taken to reserves and offset against the differences arising from the translation of those assets. All other exchange differences are dealt with through the profit and loss account.

GAMMA 2000 LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MAY 2001

Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the Profit and Loss Account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the Profit and Loss Account on a straight line basis over the lease term.

2 Turnover

The percentage of turnover attributable to overseas markets was 100%

3 Operating Profit

The operating profit is arrived at after charging or crediting:

	2001 £	2000 £
Depreciation of owned assets	987	550
Depreciation of assets held under finance leases and hire purchase contracts	2,999	2,999
Amortisation of intangible fixed assets	3,500	3,500
Auditors' remuneration	-	3,000

4 Interest Payable and Similar Charges

	2001 £	2000 £
Bank overdrafts and loans	182	163
Finance leases and hire purchase contracts	744	252
	926	415

5 Taxation

	2001 £	2000 £
Based on the profit/loss for the year		
UK corporation tax at 20% (2000: 20%)	6,253	-
Adjustment for previous year	13	-
	6,266	-

6 Director

	2001 £	2000 £
Director's remuneration	-	12,000

GAMMA 2000 LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MAY 2001

7 Intangible Fixed Assets

	Goodwill
	£
Cost	
At 1st June 2000	17,500
At 31st May 2001	17,500
Amortisation	
At 1st June 2000	3,500
Provided during the year	3,500
At 31st May 2001	7,000
Net Book Values	
At 31st May 2001	10,500
At 31st May 2000	14,000

8 Tangible Fixed Assets

	Motor Vehicles	Furniture and Equipment	Total
	£	£	£
Cost			
At 1st June 2000	11,995	2,199	14,194
Additions	-	1,749	1,749
At 31st May 2001	11,995	3,948	15,943
Depreciation			
At 1st June 2000	2,999	550	3,549
Charge for the year	2,999	987	3,986
At 31st May 2001	5,998	1,537	7,535
Net Book Value			
At 31st May 2001	5,997	2,411	8,408
At 31st May 2000	8,996	1,649	10,645

Assets held under finance leases originally cost £11,995 and have a net book value of £5,997.

GAMMA 2000 LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MAY 2001

9	Debtors	2001	2000
		£	£
	Trade debtors	50,659	31,873
	Other debtors	180,188	12,561
	Prepayments and accrued income	2,492	804
	Directors' loan accounts	-	16,596
		233,339	61,834
10	Creditors: Amounts Falling Due Within One Year	2001	2000
		£	£
	Bank loans and overdrafts	1,677	-
	Obligations under hire purchase and finance lease contracts (secured)	4,826	5,294
	Payments received on account	77,328	45,070
	Trade creditors	53,232	2,056
	Corporation tax	6,253	-
	Other taxes and social security	-	3,994
	Other creditors	115,508	147,660
	Accruals and deferred income	10,235	5,557
		269,059	209,631
11	Creditors: Amounts Falling Due After One Year	2001	2000
		£	£
	Obligations under hire purchase and finance lease contracts (secured)	-	4,826
12	Obligations Under Hire Purchase and Finance Leases	2001	2000
		£	£
	Obligations under finance leases and hire purchase contracts are analysed between:		
	Current obligations	4,826	5,294
	Obligations due between one and five years	-	4,826
		4,826	10,120
13	Share Capital	2001	2000
		£	£
	Authorised		
	1,000 Ordinary shares of £1.00 each	1,000	1,000
	Allotted		
	2 Allotted, called up and fully paid ordinary shares of £1.00 each	2	2

GAMMA 2000 LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MAY 2001

14 Transactions with Director

Loans to directors

- WN Nelson Esq

At 1st June 2000 the amount due from this director stood at £2,760. The loan was repaid during the year and the opening balance was the largest amount outstanding at any one time during the year.

- Mrs PL Nelson

At 1st June 2000 the amount due from the wife of the director stood at £13,836. The loan was repaid during the year and the opening balance was the largest amount outstanding at any one time during the year.

15 Related Parties

During the year, the company was under the control of WL Nelson Esq. its director.

During the year the following transactions took place between the company and other companies controlled by WL Nelson Esq.

Computplus Limited provided consultancy services in the normal course of business to Gamma 2000 Limited, for which it received £30,000 (2000: £9,000) in commission payments.

The company purchased goods and on behalf of Gamma 2000 Waste Management Limited, Technical Surveillance Equipment Limited and BN Management Security Systems Limited. The amounts owing from these companies at 31st May 2001 were £51,422, £124,719 and £1,087 respectively.

The company paid a management charge of £20,000 to Technical Surveillance Equipment Limited.

The director's sons B Nelson Esq. and L Nelson Esq. received commission payments of £27,527 (2000: £9,721) and £70,172 (2000: £26,166) respectively for consultancy services.