

COMPANY NO. ~~427013~~

427013

SECURON (AMERSHAM) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31ST DECEMBER 1998

CALDWELL & BRAHAM
Chartered Accountants
84 Fetter Lane
London
EC4A 1EQ



SECURON (AMERSHAM) LIMITED**REPORT OF THE DIRECTORS**

The directors present their report together with the audited financial statements of the company for the year ended 31st December 1998.

Statement of 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.

Principal activity

The principal activity of the company continued to be manufacture and assembly of motor vehicle components and accessories.

Results and dividends

The directors consider that the results for the year, which are set out in the profit and loss account on page 4, are satisfactory but they do not recommend the payment of a dividend.

Future developments

No change in the principal activity of the company is anticipated in the foreseeable future.

Fixed assets

Movements in fixed assets are set out in note 6 to the financial statements.

Holding company

The ultimate holding company at 31st December 1998 was Securon Manufacturing Limited, a company incorporated in England.

SECURON (AMERSHAM) LIMITED**REPORT OF THE DIRECTORS** (continued)**Directors and their interests**

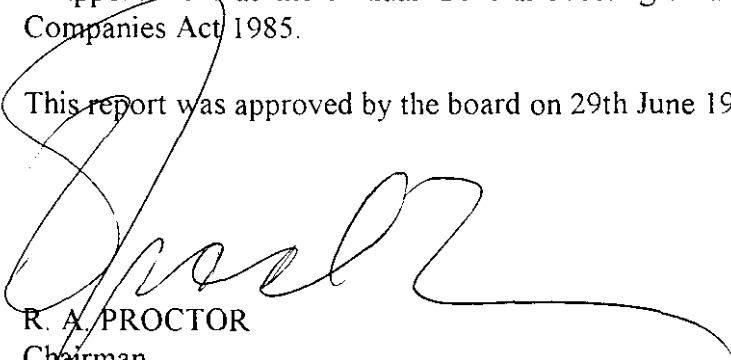
The directors who served during the year and their beneficial interests in the share capital of the ultimate holding company throughout the year, including family interests, were as follows:-

	6% Cumulative <u>Preference Shares of £1</u>	<u>Ordinary Shares of 10p</u>
R. A. Proctor	2,280	2,280
A. A. Proctor	240	240
T. A. Proctor	240	240
V. M. Adams	-	-
D. J. Moore	-	-
P. C. Gent	-	-

Auditors

The auditors, Messrs. Caldwell & Braham, Chartered Accountants, will be proposed for re-appointment at the Annual General Meeting in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 29th June 1999 and signed on its behalf.



R. A. PROCTOR
Chairman

Winchmore Hill
Amersham
Bucks
HP7 0NZ

REPORT OF THE AUDITORS**TO THE MEMBERS OF SECURON (AMERSHAM) LIMITED**

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 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.

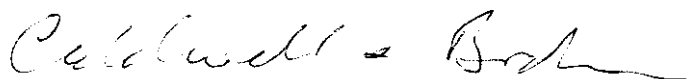
Basis of opinion

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 affairs of the company as at 31st December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



CALDWELL & BRAHAM

Chartered Accountants and Registered Auditor

84 Fetter Lane
London
EC4A 1EQ

29th June 1999

SECURON (AMERSHAM) LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST DECEMBER 1998**

	Note	1998 £	1997 £
<u>TURNOVER</u>	2	2,527,754	2,853,462
<u>Less: Cost of sales</u>	4(a)	1,514,479	1,745,230
		<hr/>	<hr/>
<u>GROSS PROFIT</u>		1,013,275	1,108,232
<u>Less: Distribution costs and administrative expenses</u>	4(b)	890,708	967,011
		<hr/>	<hr/>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>	4	122,567	141,221
Taxation on profit on ordinary activities	5	(34,365)	(37,380)
		<hr/>	<hr/>
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		88,202	103,841
Dividend		-	(250,000)
		<hr/>	<hr/>
<u>PROFIT / (DEFICIT) FOR THE FINANCIAL YEAR</u>		£ 88,202	£ (146,159)
		<hr/>	<hr/>
 <u>STATEMENT OF RETAINED PROFITS</u>			
Retained profit brought forward		464,217	610,376
Profit / (deficit) for the financial year		88,202	(146,159)
		<hr/>	<hr/>
Retained profit carried forward		£ 552,419	£ 464,217
		<hr/>	<hr/>

There were no recognised gains or losses for the current or previous accounting periods other than those included in the profit and loss account.

The notes on pages 6 to 11 form part of these financial statements.

SECURON (AMERSHAM) LIMITED**BALANCE SHEET AS AT 31ST DECEMBER 1998**

	<u>Note</u>	<u>1998</u>	<u>1997</u>
		<u>£</u>	<u>£</u>
<u>FIXED ASSETS</u>			
Tangible	6	156,183	163,361
<u>CURRENT ASSETS</u>			
Stock	7	505,050	508,820
Debtors	8	561,676	585,665
		<u>1,066,726</u>	<u>1,094,485</u>
<u>Less:</u>			
<u>CREDITORS:</u>			
Amounts falling due within one year	9	665,166	788,305
		<u>401,560</u>	<u>306,180</u>
<u>NET CURRENT ASSETS</u>			
<u>TOTAL ASSETS</u>			
<u>LESS CURRENT LIABILITIES</u>			
		<u>£ 557,743</u>	<u>£ 469,541</u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	10	5,324	5,324
Profit and loss account		552,419	464,217
<u>SHAREHOLDERS' FUNDS</u>			
	11	<u>£ 557,743</u>	<u>£ 469,541</u>

Shareholders' funds are all equity interests.

The financial statements were approved by the board on 29th June 1999 and signed on its behalf.

R. A. PROCTOR

Director

The notes on pages 6 to 11 form part of these financial statements.

SECURON (AMERSHAM) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST DECEMBER 1998**1. ACCOUNTING POLICIESBasis of presentation

The financial statements have been prepared to conform with the reporting requirements of the Companies Act 1985 and include the results of the company's operations which are described in the directors' report and which are continuing.

Accounting Convention

The financial statements are prepared under the historical cost convention.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life, as follows:-

Plant, machinery, office equipment	-	reducing balance at 15% p.a.
Motor vehicles	-	reducing balance at 25% p.a.
Tools	-	in year of purchase
Computer equipment	-	straight line basis over three years

Stocks

Stocks of materials, components, finished goods and work-in-progress are stated at the lower of cost and net realisable value. Cost, where appropriate, includes a proportion of overhead expenditure.

Deferred Taxation

Provision for deferred taxation is made to the extent that, in the opinion of the directors, there is a reasonable probability that a liability will crystallise.

Pensions

The company contributes to employees' personal pension plans and the pension charge consists of amounts paid for the year.

SECURON (AMERSHAM) LIMITED**NOTES TO THE FINANCIAL STATEMENTS** (continued)**FOR THE YEAR ENDED 31ST DECEMBER 1998**2. TURNOVER

Turnover represents the invoiced value of goods sold stated net of value added tax.

The turnover and pre-tax profit is attributable to the manufacture and assembly of motor vehicle components and accessories. An analysis of turnover by area is given below:-

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
United Kingdom	2,527,754	2,853,462
Export	-	-
	<hr/>	<hr/>
	£2,527,754	£2,853,462
	<hr/>	<hr/>

3. STAFF COSTS

Wages and salaries	1,296,262	1,283,232
Social security costs	122,343	123,691
Other pension costs	8,104	7,249
	<hr/>	<hr/>
	£1,426,709	£1,414,172
	<hr/>	<hr/>

The average monthly number of employees during the year was made up as follows-

	<u>Number</u>	<u>Number</u>
Management and office	19	19
Production	62	64
Selling and distribution	8	8
	<hr/>	<hr/>
	89	91
	<hr/>	<hr/>

SECURON (AMERSHAM) LIMITED**NOTES TO THE FINANCIAL STATEMENTS** (continued)**FOR THE YEAR ENDED 31ST DECEMBER 1998**

	<u>1998</u> £	<u>1997</u> £
4. <u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		
The profit is stated after charging:-		
(a) Cost of sales:		
Depreciation: plant and machinery	68,797	42,082
Operating lease rentals - land and buildings	98,500	98,500
	<u> </u>	<u> </u>
(b) Distribution costs and administrative expenses:		
Directors' remuneration	207,248	194,996
Auditors' remuneration:		
Audit fees	11,250	11,000
Other services - U.K.	11,250	8,500
Depreciation	22,896	24,997
	<u> </u>	<u> </u>
Directors' remuneration was paid as follows:-		
Chairman	£ Nil	£ Nil
	<u> </u>	<u> </u>
Highest paid director	£ 50,000	£ 46,052
	<u> </u>	<u> </u>
	<u>Number</u>	<u>Number</u>
Other directors, in scale -		
£30,001 - £35,000	1	2
£35,001 - £40,000	-	1
£40,001 - £45,000	3	1
	<u> </u>	<u> </u>

SECURON (AMERSHAM) LIMITED**NOTES TO THE FINANCIAL STATEMENTS** (continued)**FOR THE YEAR ENDED 31ST DECEMBER 1998**

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
5. <u>TAXATION</u>		
U.K. corporation tax at 31.0% adjusted for marginal small companies relief	£ 34,365	£ 37,380

6. FIXED ASSETSTangible Assets

	<u>Total</u>	<u>Plant and</u>	<u>Office</u>	<u>Motor</u>	<u>Tools</u>
	<u>£</u>	<u>Machinery</u>	<u>Equipment</u>	<u>Vehicles</u>	<u>£</u>
<u>Cost</u>					
1st January 1998	1,091,804	348,575	116,582	184,305	442,342
Additions	89,556	8,898	3,303	23,540	53,815
Disposals	(16,190)	-	-	(16,190)	-
31st December 1998	<u>£1,165,170</u>	<u>£357,473</u>	<u>£119,885</u>	<u>£191,655</u>	<u>£496,157</u>

Depreciation

1st January 1998	928,443	257,591	105,119	123,391	442,342
Charge for year	91,693	14,982	3,043	19,853	53,815
Disposals	(11,149)	-	-	(11,149)	-
31st December 1998	<u>£1,008,987</u>	<u>£272,573</u>	<u>£108,162</u>	<u>£132,095</u>	<u>£496,157</u>

Net Book Value

31st December 1998	<u>£ 156,183</u>	<u>£ 84,900</u>	<u>£ 11,723</u>	<u>£ 59,560</u>	<u>£ -</u>
31st December 1997	<u>£ 163,361</u>	<u>£ 90,984</u>	<u>£ 11,463</u>	<u>£ 60,914</u>	<u>£ -</u>

SECURON (AMERSHAM) LIMITED**NOTES TO THE FINANCIAL STATEMENTS** (continued)**FOR THE YEAR ENDED 31ST DECEMBER 1998**

	<u>1998</u> £	<u>1997</u> £
7. <u>STOCK</u>		
Raw materials	352,027	382,070
Finished goods	153,023	126,750
	<hr/> £ 505,050	<hr/> £ 508,820
	<hr/>	<hr/>
8. <u>DEBTORS</u>		
Trade debtors	522,768	537,794
Prepayments	38,908	47,871
	<hr/> £ 561,676	<hr/> £ 585,665
	<hr/>	<hr/>
9. <u>CREDITORS:</u> Amounts falling due within one year		
Trade creditors	357,464	380,584
U.K. corporation tax	34,367	22,142
Other taxation and social security	62,113	49,400
Accruals	94,676	104,779
Amount due to holding company	116,546	231,400
	<hr/> £ 665,166	<hr/> £ 788,305
	<hr/>	<hr/>
10. <u>CALLED UP SHARE CAPITAL</u>		
<u>Authorised</u>		
6,000 shares of £1 each	£ 6,000	£ 6,000
	<hr/>	<hr/>
<u>Allotted, issued and fully paid</u>		
5,324 shares of £1 each	£5,324	£5,324
	<hr/>	<hr/>

SECURON (AMERSHAM) LIMITED**NOTES TO THE FINANCIAL STATEMENTS** (continued)**FOR THE YEAR ENDED 31ST DECEMBER 1998**11. SHAREHOLDERS' FUNDS

A separate shareholders' funds statement is not provided as there are no changes for the current or previous year other than those shown in the profit and loss account.

12. CAPITAL COMMITMENTS

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Contracted for but not provided in these financial statements	£ Nil	£ Nil
	=====	=====

13. DEFERRED TAXATION

No potential liability to deferred taxation arises.

14. RELATED PARTIES

Advantage has been taken of the exemption in FRS 8 from disclosing transactions with the 100% ultimate holding undertaking. Intra-group balances at the accounting date are disclosed in the notes to the financial statements.

Control of the ultimate holding undertaking is exercised by Mr. R.A. Proctor.