REGISTERED NUMBER: 1941721

VIDEX SECURITY LIMITED

REPORT AND
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2000



CARTWRIGHTS
Chartered Accountants and Registered Auditors
Regency House
33 Wood Street
Barnet
Herts
EN5 4BE

VIDEX SECURITY LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

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VIDEX SECURITY LIMITED

COMPANY INFORMATION
AS AT 31 DECEMBER 2000

DIRECTORS

J D Rickard
K E Andrews
Mrs J Bennett

SECRETARY

J D Rickard

REGISTERED OFFICE

Regency House
33 Wood Street
Barnet
Herts
EN5 4BE

BUSINESS ADDRESS

1 Osprey
Trinity Park
Trinity Way
London
E4 8TD

AUDITORS

Cartwrights
Chartered Accountants and Registered Auditors
Regency House
33 Wood Street
Barnet
Herts
EN5 4BE

VIDEX SECURITY LIMITED

DIRECTORS' REPORT

The directors present their annual report with the financial statements of the company for the year ended 31 December 2000.

PRINCIPAL ACTIVITIES
The principal activity of the company in the year under review continued to be that of retail suppliers of locks and entryphone systems.

No significant change in the nature of these activities occurred during the year.

REVIEW OF THE BUSINESS
The net profit after providing for taxation amounted to £186,088.

The directors are pleased with the results for the year and anticipate that results for the current year will show continued profitability.

DIVIDENDS AND TRANSFERS TO RESERVES
The directors have paid an interim dividend during the year amounting to £110,000.

It is proposed that the retained profit for the year of £76,088 be transferred to reserves.

INTRODUCTION OF THE SINGLE EUROPEAN CURRENCY
The directors consider that the Euro will have no impact on the business.

DIRECTORS AND THEIR INTERESTS
The directors in office in the year and their and their family's beneficial interests in the company at the balance sheet date and the beginning of the year (or on appointment if later) were as follows:

		Number of Shares	
		2000	**1999**
J D Rickard	Ordinary shares	100	100
K E Andrews	Ordinary shares	-	-
Mrs J Bennett	Ordinary shares	-	-

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 as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

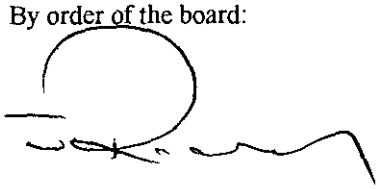
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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.

AUDITORS

The auditors, Messrs Cartwrights, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

By order of the board:



J D Rickard
Secretary

Date: 24 October 2001

VIDEX SECURITY LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 17 which have been prepared under the historical cost convention and on the basis of accounting policies set out on page 8.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described in the directors' report, 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.

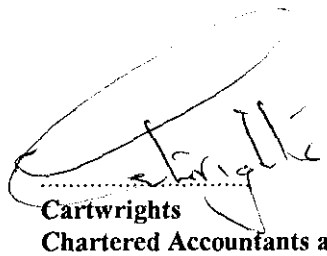
BASIS OF OPINION

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 as to whether 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 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Cartwrights
Chartered Accountants and Registered Auditors
Regency House
33 Wood Street
Barnet
Herts
EN5 4BE

24 October 2001

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2000

	Notes	2000 £	1999 £
TURNOVER		3,389,802	2,842,712
Cost of sales		1,985,937	1,669,189
GROSS PROFIT		1,403,865	1,173,523
Distribution costs		51,347	37,355
Administrative expenses		1,131,320	943,540
		221,198	192,628
Other operating income		-	517
OPERATING PROFIT	2	221,198	193,145
Investment income and interest receivable	3	14,050	13,140
Amounts written off investments		(830)	(1,860)
Interest payable and similar charges	4	(4,862)	(2,091)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		229,556	202,334
Tax on profit on ordinary activities	7	(43,468)	(40,008)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		186,088	162,326
Dividends	8	(110,000)	(35,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR	18	76,088	127,326

Continuing operations
None of the company's activities were acquired or discontinued during the above two financial years.

Total recognised gains and losses
The company has no recognised gains or losses other than the profit for the above two financial years.

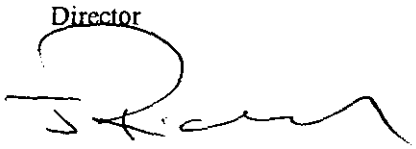
VIDEX SECURITY LIMITED

BALANCE SHEET
AT 31 DECEMBER 2000

	Notes	2000 £	2000 £	1999 £	1999 £
FIXED ASSETS					
Tangible assets	9		199,885		240,748
CURRENT ASSETS					
Stocks	10	423,492		363,276	
Debtors	11	750,810		700,440	
Investments	12	227,731		206,903	
Cash at bank and in hand		302,543		178,570	
		1,704,576		1,449,189	
CREDITORS: amounts falling due within one year	13	(936,573)		(783,454)	
NET CURRENT ASSETS			768,003		665,735
TOTAL ASSETS LESS CURRENT LIABILITIES			967,888		906,483
CREDITORS: amounts falling due after more than one year	14		(33,401)		(48,084)
NET ASSETS			934,487		858,399
CAPITAL AND RESERVES					
Called up share capital	17		100		100
Profit and loss account	18		934,387		858,299
TOTAL SHAREHOLDERS' FUNDS	19		934,487		858,399

Approved by the board of directors on 24 October 2001 and signed on its behalf by:

J D Rickard
Director



The notes on pages 8 to 17 form part of these financial statements.

VIDEX SECURITY LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2000

	Notes	2000 £	1999 £
Net cash inflow from operating activities	2	420,613	109,898
Returns on investments and servicing of finance	20	9,188	11,049
Taxation	20	(39,968)	(70,899)
Capital expenditure	20	2,562	(24,289)
Equity dividends paid		(110,000)	(35,000)
Cash inflow / (outflow) before use of liquid resources and financing		282,395	(9,241)
Management of liquid resources	20	(21,658)	(5,045)
Financing	20	(66,259)	(133,219)
INCREASE / (DECREASE) IN CASH IN THE YEAR		194,478	(147,505)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS	21		
INCREASE / (DECREASE) IN CASH IN THE YEAR		194,478	(147,505)
Cash outflow from movement in debt and lease financing		66,259	133,219
Cash outflow from movement in liquid resources		(21,658)	(5,045)
Change in net funds resulting from cash flows		282,395	(9,241)
New hire purchase contracts		(46,250)	(80,000)
Movement in funds in the year		235,315	(89,241)
Net funds at 1 January 2000		238,438	327,679
Net funds at 31 December 2000		473,753	238,438

The notes on pages 8 to 17 form part of these financial statements.

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention.

Turnover
Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

Depreciation of tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Plant and machinery	20% on cost
Motor vehicles	20-25% on cost
Fixtures and fittings	10% on cost

Stocks
Stocks are stated at the lower of cost and net realisable value.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

Investments
Investments held as current assets are stated at the lower of cost and net realisable value.

Dividends are brought to account in the profit and loss account when received.

Research and development
Expenditure on research and development costs is written off in the year in which it is incurred.

Deferred taxation
Deferred taxation is provided at current rates on timing differences to the extent that it is expected to become payable in the foreseeable future. Any amount not provided is disclosed as a contingent liability.

Leasing and hire purchase commitments
Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease.

Pension costs
The company operates a money purchase (defined contribution) pension scheme. Contributions payable to this scheme are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets.

2. OPERATING PROFIT

Operating profit is stated	2000 £	1999 £
After charging:		
Depreciation of fixed assets	68,828	60,537
Loss on disposal of tangible assets	15,724	-
Auditors' remuneration	7,500	7,000
After crediting:		
Profit on disposal of tangible assets	-	3,072

Reconciliation of operating profit to net cash inflow from operating activities

	2000 £	1999 £
Operating profit	221,198	193,146
Depreciation	68,828	60,537
Loss / (profit) on disposal of fixed assets	15,724	(3,072)
Increase in stocks	(60,216)	(84,619)
Increase in debtors	(50,370)	(163,598)
Increase in creditors	225,449	107,504
Net cash inflow from operating activities	420,613	109,898

3. INVESTMENT INCOME AND INTEREST RECEIVABLE

	2000 £	1999 £
Interest received and receivable		
Bank interest	9,343	7,977
Investment income		
Income from investments	4,707	5,163
Total investment income	14,050	13,140

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £	1999 £
On bank loans and overdrafts	1,088	65
Lease finance charges and hire purchase interest	3,774	2,026
	4,862	2,091

5. INFORMATION ON DIRECTORS AND EMPLOYEES

	2000 £	1999 £
Staff costs		
Wages and salaries	554,809	446,218
Social security costs	58,576	45,369
Other pension costs	60,612	66,940
	673,997	558,527

	2000 No.	1999 No.
The average number of employees during the year was made up as follows:		
Management	4	4
Administration	14	11
	18	15

	2000 £	1999 £
Directors' emoluments		
Emoluments including benefits in kind	383,614	312,780
Pension contributions to money purchase (defined contribution) schemes	60,612	66,940
	444,226	379,720

	2000 No.	1999 No.
During the year the following number of directors:		
Accrued benefits under money purchase (defined contribution) pension schemes	3	3

	2000 £	1999 £
Details of highest paid director's emoluments		
Emoluments	249,253	196,152
Company contributions to money purchase (defined contribution) pension schemes	54,812	59,140
	304,065	255,292

6. PENSION COSTS

Money purchase (defined contribution) pension scheme
The company operates a money purchase (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 and amounted to £60,612 (1999:£66,940).

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £	1999 £
The taxation charge comprises:		
Corporation tax at 20% (1999 - 20%)	43,500	40,000
Tax credit attributable to franked investment income	-	8
Adjustment in respect of prior years	(32)	-
	43,468	40,008

8. DIVIDENDS PAID OR PROPOSED

	2000 £	1999 £
On ordinary shares:		
Dividend paid during the year	110,000	35,000

9. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Other £	Total £
Cost:					
At 1 Jan. 00	128,915	43,805	160,753	20,137	353,610
Additions	30,548	6,173	63,117	-	99,838
Disposals	-	-	(117,934)	-	(117,934)
At 31 Dec. 00	159,463	49,978	105,936	20,137	335,514
Depreciation:					
At 1 Jan. 00	65,067	17,787	24,827	5,181	112,862
Charge for year	19,649	4,369	40,782	4,027	68,827
On disposals	-	-	(46,060)	-	(46,060)
At 31 Dec. 00	84,716	22,156	19,549	9,208	135,629
Net book value:					
At 31 Dec. 00	74,747	27,822	86,387	10,929	199,885
At 31 Dec. 99	63,848	26,018	135,926	14,956	240,748

9. TANGIBLE FIXED ASSETS - (continued)

Included above are assets held under finance leases or hire purchase contracts as follows:

	2000 £	1999 £
Net book values:		
Motor vehicles	55,990	112,079
Depreciation charge for the year:		
Motor vehicles	-	9,603

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

10. STOCKS

	2000 £	1999 £
Finished goods and goods for resale	423,492	363,276

There is no material difference between the replacement cost of stocks and their balance sheet amounts.

11. DEBTORS

	2000 £	1999 £
Trade debtors	707,199	655,576
Director's current account	-	9,027
Other debtors	872	721
Prepayments and accrued income	42,739	35,116
	750,810	700,440

12. CURRENT ASSET INVESTMENTS

	2000 £	1999 £
Listed Shares: UK Stock Exchange	227,731	206,903

Market value of listed investments	**Book value At 31 December 2000 £**	**Market value At 31 December 2000 £**	**Book value At 31 December 1999 £**	**Market value At 31 December 1999 £**
U.K. Stock Exchange	227,731	250,963	206,903	228,533

13. **CREDITORS:** amounts falling due within one year

	2000 £	1999 £
Bank loans and overdrafts	7,703	70,505
Net obligations under finance leases and hire purchase contracts	15,417	28,446
Trade creditors	617,762	516,731
Corporation tax	6,000	2,500
Other taxes and social security costs	187,462	67,538
Director's current account	83,761	74,749
Accruals and deferred income	18,468	22,985
	936,573	783,454

14. **CREDITORS:** amounts falling due after more than one year

	2000 £	1999 £
Bank loans and overdrafts	2,568	-
Net obligations under finance leases and hire purchase contracts	30,833	48,084
	33,401	48,084

15. **BORROWINGS**

	2000 £	1999 £
The company's borrowings are repayable as follows		
Up to one year and on demand	7,703	70,505

16. **OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS**

	2000 £	1999 £
The company's obligations are repayable as follows:		
Within one year or on demand	17,308	32,226
In two to five years	34,617	54,559
Total gross obligations	51,925	86,785
Finance charges and interest allocated to future accounting periods	(5,675)	(10,255)
Total net obligations	46,250	76,530

17. SHARE CAPITAL

	2000 £	1999 £
Authorised:		
Equity interests:		
100 Ordinary shares of £1 each	100	100
Allotted, called up and fully paid:		
Equity interests:		
100 Ordinary shares of £1 each	100	100

18. PROFIT AND LOSS ACCOUNT

	2000 £	1999 £
Retained profit as at 1 January 2000	858,299	730,973
Profit for the year	76,088	127,326
Retained profit as at 31 December 2000	934,387	858,299

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the year	186,088	162,326
Dividends	(110,000)	(35,000)
Net addition to shareholders' funds	76,088	127,326
Opening shareholders' funds	858,399	731,073
Closing shareholders' funds	934,487	858,399
Represented by:-		
Equity interests	934,487	858,399

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2000 £	1999 £
Returns on investments and servicing of finance		
Interest received	9,343	7,977
Dividends received	4,707	5,163
Interest paid	(1,088)	(65)
Interest element of hire purchase contracts	(3,774)	(2,026)
Net cash inflow from returns on investments and servicing of finance	9,188	11,049
Taxation		
Corporation tax paid	(39,968)	(70,899)
Net cash outflow from taxation	(39,968)	(70,899)
Capital expenditure		
Purchase of tangible fixed assets	(53,588)	(68,539)
Receipts from sale of tangible fixed assets	56,150	44,250
Net cash inflow / (outflow) from capital expenditure	2,562	(24,289)
Management of liquid resources		
Short-term investments and bank deposits	(21,658)	(5,045)
Net cash outflow from management of liquid resources	(21,658)	(5,045)
Financing		
New long-term loans	10,271	-
Repayments of long term loans	-	(95,156)
Capital element of hire purchase contract payments	(76,530)	(38,063)
Net cash outflow from financing	(66,259)	(133,219)

21. ANALYSIS OF CHANGES IN NET FUNDS

	1999 £	Cash flow £	Other movements £	2000 £
Cash at bank and in hand	178,570	123,973	-	302,543
Bank overdraft	(70,505)	70,505	-	-
		194,478		
Debt due within one year	-	-	(7,703)	(7,703)
Debt due after one year	-	(10,271)	7,703	(2,568)
Hire purchase contracts and finance lease agreements	(76,530)	76,530	(46,250)	(46,250)
Current asset investments	206,903	21,658	(830)	227,731
	238,438	282,395	(47,080)	473,753

22. TRANSACTIONS WITH DIRECTORS

	2000 £	1999 £
Amounts owed to directors		
J D Rickard	83,761	74,749
Amounts owed by directors		
J Bennett	-	9,027

The maximum amount owed by J Bennett during the year was £nil (1999: £9,027).

23. RELATED PARTY DISCLOSURES

Transactions undertaken with companies in which the director, Mr J D Rickard, has material interest, are as follows:

	Value of transaction	
	2000	1999
	£	£
Cladan Limited		
Company formation costs paid	200	-
	200	-

Amounts owed by companies in which the director, Mr J D Rickard, has material interest, are as follows:

	2000	1999
	£	£
Cladan Limited	200	-
	200	-

24. CONTROL

Mr J D Rickard is the company's ultimate controlling party by virtue of his holding of Ordinary shares.