Report of the Director and

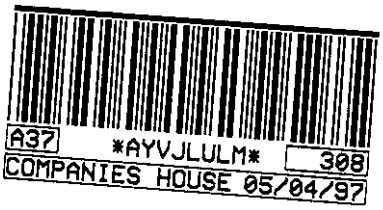
Financial Statements for the Year Ended

28th February 1997

Safe & Sound (Vehicle Security & Audio) Limited

Company Number

3022721 (England and Wales)



Safe & Sound (Vehicle Security & Audio) Limited

Financial Statements for the Year ended
28th February 1997

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Safe & Sound (Vehicle Security & Audio) Limited

Company Information
28th February 1997

DIRECTOR	S.A. Lincoln Esq
SECRETARY	Mrs. S.J. Betts
REGISTERED OFFICE	4 Chernside Ravenshead Nottinghamshire NG15 9GD
REGISTERED NUMBER	3022721 (England and Wales)

Safe & Sound (Vehicle Security & Audio) Limited

Director's Report for the Year ended
28th February 1997

The director presents his report and the financial statements of the company for the year ended 28th February 1997

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the supply of vehicle security and audio systems.

DIRECTOR

The director of the company during the year and his interest in the shares of the company as recorded in the register of director's interests were as follows:

	Ordinary Shares of £1 each	
	1997	**1996**
S.A. Lincoln Esq.	2	2

SMALL COMPANY EXEMPTIONS

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

By Order of the Board

.....S.J.Betts.....
Mrs. S.J. Betts
Company Secretary

Dated ....25.3.97.....

Safe & Sound (Vehicle Security & Audio) Limited

Statement of Director's Responsibilities for the Year ended 28th February 1997

I am required under company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period. In preparing those financial statements I am required to:

- select suitable accounting policies and apply them consistently

- make reasonable and prudent judgements and estimates

- follow applicable accounting standards, subject to any material departures as disclosed and explained in the accounts

- prepare the financial statements on the going concern basis unless it is not appropriate to presume that the company will continue in business.

I am also responsible for:

- keeping proper accounting records

- safeguarding the company's assets

- taking reasonable steps for the prevention and detection of fraud

On Behalf of the Board

S.A. Lincoln

.....

S.A. Lincoln Esq.
Director

Dated 25-3-97

Safe & Sound (Vehicle Security & Audio) Limited

Profit and Loss Account for the Year ended 28th February 1997

	Note	1997 £	1996 £
TURNOVER	2	49,784	1,074
Cost of sales		22,336	527
GROSS PROFIT		27,448	547
Administrative expenses		15,564	789
OPERATING PROFIT/(LOSS)	3	11,884	(242)
Less: Interest Payable	4	484	0
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		11,400	(242)
Tax on profit on ordinary activities	5	2,389	0
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		9,011	(242)
Dividends	6	5,000	0
RETAINED PROFIT/(DEFICIT) FOR THE YEAR	13	4,011	(242)

CONTINUING OPERATIONS
None of the company's activities were acquired or discontinued during the above years.

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the results for the above years.

The annexed notes form part of these accounts.

Safe & Sound (Vehicle Security & Audio) Limited

BALANCE SHEET AS AT
28th February 1997

	Note	£	1997 £	£	1996 £
FIXED ASSETS					
Tangible assets	7		8,716		1,660
CURRENT ASSETS					
Stock	8	1,110		620	
Debtors	9	7,749		1,312	
Bank and cash		5,711		0	
		14,570		1,932	
CREDITORS					
Amounts falling due within one year	10	15,046		3,332	
NET CURRENT LIABILITIES			(476)		(1,400)
TOTAL ASSETS LESS CURRENT LIABILITIES			8,240		260
CREDITORS					
Amounts falling due after more than one year					
- Hire purchase			4,469		500
	11		3,771		(240)

The balance sheet of the company is continued on page 5.

The annexed notes form part of these accounts.

Safe & Sound (Vehicle Security & Audio) Limited

BALANCE SHEET AS AT
28th February 1997

Continued

	Note	1997 £	1996 £
CAPITAL RESERVES			
Called up share capital	12	2	2
Profit and loss account	13	3,769	(242)
		3,771	(240)

The director is satisfied that the company was entitled to exemption from audit of these accounts under section 249A(1) of the Companies Act 1985 and that no member or members have requested an audit pursuant to subsection 2 of section 249B in relation to the accounts for the financial year.

The director acknowledges his responsibilities for:

i) ensuring that the company keeps accounting records which comply with section 221; and

ii) 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 results for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The director has taken advantage in the preparation of these financial statements of special exemptions provided by Part 1 of Schedule 8 to the Companies Act 1985 on the basis that in his opinion the company qualifies as a small company for the year under review.

Approved by the Board and signed on its behalf:

S.A. Lincoln
Director

Dated 25-3-97

The annexed notes form part of these accounts.

1 ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard Number 1 on the grounds that it is entitled to the exemptions available in Section 246 to 247 of the Companies Act 1985 for small companies.

Depreciation

Depreciation of fixed assets is calculated to write off the cost or valuation less any residual value over their estimated useful lives as follows;

Plant etc	25% p.a. on reducing balance
Motor vehicles	25% p.a. on reducing balance

Leasing and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges under finance leases are allocated over the period of the lease using the sum of the digits basis. Hire purchase interest is allocated during the period of the contract using the straight line basis.

Rentals paid under operating leases are charged to income as incurred.

Stock

Stock is valued at the lower of cost and net realisable value. Cost is computed on a first in, first out basis. Net realisable value is based on estimated selling price less the estimated cost of completion and disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pension costs

The company operates a defined contributions pension scheme for the benefit of the director. Charges are incurred against profit when payment is made.

2 TURNOVER

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities stated net of value added tax. All the turnover for the year relates to sales within the United Kingdom.

3 OPERATING PROFIT/(LOSS)

	1997 £	1996 £
Operating profit is stated after charging:		
Director's remuneration	5,100	0
Depreciation - owned assets	40	0
Depreciation - hire purchase assets assets	400	0

4 INTEREST PAYABLE

	1997 £	1996 £
Hire purchase interest	484	0
	484	0

5 TAXATION

	1997 £	1996 £
U.K. Corporation tax on the results for the year at 24.08% (1995 - 25%)	2,389	0

6 DIVIDENDS

	1997 £	1996 £
Dividends paid on Ordinary shares - 28th February 1997	5,000	0

7 TANGIBLE FIXED ASSETS

	Plant etc. £	Motor Vehicles £	Total £
Cost			
At 1 March 1996	160	1,500	1,660
Additions	0	8,996	8,996
Disposals	0	(1,500)	(1,500)
At 28 February 1997	160	8,996	9,156
Depreciation			
At 1 March 1996	0	0	0
Charge for the year	40	400	440
Eliminated on Disposals	0	0	0
At 28 February 1997	40	400	440
Net Book Value			
At 28 February 1997	120	8,596	8,716
At 29 February 1996	160	1,500	1,660

Included in the net book value of fixed assets is £8,596 (1996 : £1,500) which relate to assets held under hire purchase contracts, the depreciation on which is shown in note 3.

8 STOCK

	1997 £	1996 £
Stock of goods for re-sale	1,110	620
Work in progress	0	0
	1,110	620

9 DEBTORS	1997 £	1996 £
Trade debtors	6,449	1,262
Prepayments and accrued income	50	50
ACT recoverable	1,250	0
	7,749	1,312

All amounts shown under debtors fall due within one year.

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1997 £	1996 £
Bank overdraft	0	1,171
Director's current account	7,179	788
Social security and other taxes	815	73
Corporation tax	3,639	0
Accruals and deferred income	975	800
Hire purchase	2,438	500
	15,046	3,332

11 RECONCILIATION IN MOVEMENTS IN SHAREHOLDERS FUNDS

	1997 £	1996 £
Profit/(loss) for the financial year	9,011	(242)
Opening shareholders funds	(240)	2
Dividends	(5,000)	0
Closing shareholders funds	3,771	(240)

12 CALLED UP SHARE CAPITAL

	1997 £	1996 £
Authorised		
Ordinary shares of £1 each	100,000	100,000
Issued and Fully Paid		
Ordinary shares of £1 each	2	2

13 PROFIT AND LOSS ACCOUNT

	1997 £
Opening balance at 1 March 1996	(242)
Retained profit for the year	4,011
Closing balance at 28th February 1997	3,769

14 TRANSACTIONS CONCERNING THE DIRECTORS

There were no material transactions during the year in which the director had an interest.

15 COMPARATIVE PERIOD

The company was incorporated on 16th February 1995. Trading commenced on 10th February 1996.