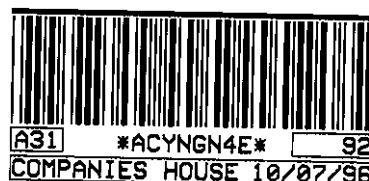

**Survival Systems International
(UK) Limited**

Abbreviated Accounts

31 March 1996



Survival Systems International (UK) Limited

Registered No. 1344170

DIRECTORS

J Digiacinto (USA)
L Digiacinto (USA)
G L Beatty

SECRETARY

Gray's Inn Secretaries Limited

AUDITORS

Ernst & Young
Cambridge House
26 Tombland
Norwich
NR3 1RH

BANKERS

Lloyds Bank plc
19 Hall Quay
Great Yarmouth
NR30 1HH

REGISTERED OFFICE & SOLICITORS

5 Chancery Lane
Clifford's Inn
London
EC4A 1BU

REPORT OF THE AUDITORS

to the directors of Survival Systems International (UK) Limited

We have examined the abbreviated accounts on pages 5 to 8 together with the annual accounts of Survival Systems International (UK) Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 March 1996. The scope of our work for the purposes of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on page 5 and that the abbreviated accounts have been properly prepared from the annual accounts.

In our opinion the directors are entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act in respect of the year ended 31 March 1996 and the abbreviated accounts on pages 5 to 8 have been properly prepared in accordance with Schedule 8 to that Act.

As auditors of the company, we reported to the members on 5 July 1996 on the annual accounts prepared under section 226 of the Companies Act 1985 and taking advantage of the provisions of the Companies Act applicable to small companies for the year ended 31 March 1996 and our audit report was as follows:

"We have audited the accounts on pages 6 to 13, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

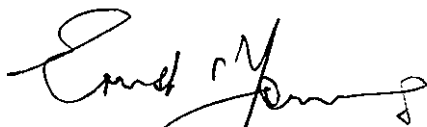
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies."



Ernst & Young
Chartered Accountants
Registered Auditor
Norwich

5 July 1996

Survival Systems International (UK) Limited

ABBREVIATED BALANCE SHEET

at 31 March 1996

	Notes	1996 £	1995 £
FIXED ASSETS			
Intangible assets	2	7,749	7,666
Tangible assets	3	59,513	73,249
Investment in associated undertaking	4	10,958	10,958
		<u>78,221</u>	<u>91,873</u>
CURRENT ASSETS			
Stocks		121,964	134,865
Debtors			
amounts falling due within one year		353,954	427,120
amounts falling due after one year		65,000	-
Cash at bank and in hand		204,125	115,080
		<u>745,043</u>	<u>677,065</u>
CREDITORS: amounts falling due within one year		133,231	136,320
NET CURRENT ASSETS		<u>611,812</u>	<u>540,743</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>690,032</u>	<u>632,618</u>
PROVISIONS FOR LIABILITIES AND CHARGES		-	3,970
		<u>690,032</u>	<u>628,648</u>
CAPITAL AND RESERVES			
Called up share capital	5	45,000	45,000
Profit and loss account		645,032	583,648
		<u>690,032</u>	<u>628,648</u>

The directors have taken advantage of the exemptions conferred by by Part I and Section A of Part III of Schedule 8 to the Companies Act 1985, on the grounds that the company is entitled to the benefit of those exemptions as a small company.

J Digiacinto

Joseph M. Diacinto

Director

G L Beatty

G L Beatty

Director

24 JUNE 1996

Survival Systems International (UK) Limited

NOTES TO THE ABBREVIATED ACCOUNTS at 31 March 1996

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention.

Depreciation

Depreciation is provided at rates sufficient to write off on a straight line basis the cost of the assets over their estimated working lives. The annual rates used for this purpose are 10% - 25%.

Stocks

Raw materials and goods for resale are valued at the lower of average cost and net realisable value.

Long-term contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Full provision is made for losses on all contracts from the date on which they are first foreseen.

Research & Development

Expenditure is written off as incurred with the exception of development expenditure where the future recoverability can be foreseen with reasonable assurance. Any expenditure carried forward is amortised in line with the expected sales from the related project.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on short-term timing differences and all other material timing differences which are not expected to continue in the future.

Leased assets

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

Foreign currencies

Revenue and costs denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction; differences arising thereon are reflected in the operating profit for the year.

Pensions

The company operates a defined contribution scheme and contributions due have been paid. The contributions are charged to the profit and loss account as they fall due.

Survival Systems International (UK) Limited

NOTES TO THE ABBREVIATED ACCOUNTS at 31 March 1996

2. INTANGIBLE FIXED ASSETS

	<i>Research and Development £</i>
At 3 April 1995	7,666
Expenditure during the year	83
At 31 March 1996	<u>7,749</u>

3. TANGIBLE FIXED ASSETS

	<i>Total £</i>
Cost:	
At 3 April 1995	159,652
Additions	8,962
Disposals	(7,760)
At 31 March 1996	<u>160,854</u>
Depreciation:	
At 3 April 1995	86,403
Charge for the year	17,339
Disposals	(2,401)
At 31 March 1996	<u>101,341</u>
Net book value:	
At 31 March 1996	<u>59,513</u>
At 3 April 1995	<u>73,249</u>

Survival Systems International (UK) Limited

NOTES TO THE ABBREVIATED ACCOUNTS

at 31 March 1996

4. INVESTMENTS

At 31 March 1996 the company held the following investment in an associated undertaking at cost:

<i>Name of Company</i>	<i>Country of incorporation and operation</i>	<i>Holding</i>	<i>Proportion held</i>	<i>Nature of business</i>
SSI (Far East) Sdn Bhd	Malaysia	Ordinary shares	50%	Service & Repair of Survival Equipment
				£
Cost at 31 March 1996 and 2 April 1995				10,958

During its financial year ending 31 December 1995 SSI (Far East) Sdn Bhd made a profit after tax of £24,547 (1994 - £113,984) and at the end of that year the aggregate of its capital and reserves was £42,817 (1994 - £16,351).

The exchange rate used is the closing rate at the associate's balance sheet date.

The address of the head office is Lot 20, Semambu Industrial Estate, 25350 Kuantan, Pahang Darul Makmur, Malaysia.

5. CALLED UP SHARE CAPITAL

	<i>1996 £</i>	<i>1995 £</i>
Authorised, allotted, called up and fully paid: 45,000 Ordinary shares of £1 each	45,000	45,000

6. ULTIMATE HOLDING COMPANY

The company is a wholly owned subsidiary of Survival Systems International Inc. which is incorporated in the United States of America.