

SISYS Limited

(Registered Number 1552983)

Annual Report

For the 62 week period ended 10 April 2001



SISYS Limited

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SISYS Limited

Directors' report for the 62 week period ended 10 April 2001

The directors present their report and the audited financial statements for the 62 week period ended 10 April 2001.

Principal activities and significant changes

The Company's principal activity during the period was the provision of point of entry security control systems. The Company was acquired by Chubb Electronic Security Limited on 10 April 2001.

During the period, the company changed its year-end from 31 January to 10 April.

Future developments

The company anticipates to continue to market/sell and support Site Access Management Systems (SAMS).

Results and dividends

The loss for the period is £117,496 (profit of £37,687 for year ended 31 January 2000). Total interim dividends of £129,369 were paid during the period (year ended 31 January 2000: £nil).

Directors

The directors of the Company during the period were as follows:

| | |
|-----------------------------------|---|
| G A Douglas | (resigned 10 April 2001) |
| C Leatherbarrow | (resigned 10 April 2001) |
| P H Buffery | (appointed 10 April 2001) |
| D B Strydom | (appointed 10 April 2001, resigned 30 January 2002) |
| Chubb Management Services Limited | (appointed 10 April 2001) |
| Westminster Securities Limited | (appointed 10 April 2001) |

Directors' share interests

The interests of the Directors in shares in the Company are as follows:

| | At 1 February 2000 or date of appointment | At 10 April 2001 |
|-------------------------------------|--|------------------|
| G.A Douglas | 396 | NIL |
| C Leatherbarrow | 20 | NIL |
| P.H Buffery | NIL | NIL |
| DB Strydom | NIL | NIL |
| Chubb Management Services Ltd | NIL | NIL |
| Westminster Securities Services Ltd | NIL | NIL |

SISYS Limited

Directors' report for the 62 week period ended 10 April 2001 (continued)

Mr C Leatherbarrow transferred 20 ordinary shares of 25p each to his fellow director, Mr G A Douglas on 10 April 2001. During the year, the other shareholders transferred 49 ordinary shares of 25p each to Mr G A Douglas. Mr G A Douglas then sold his entire holding of 465 ordinary shares of 25p each to Chubb Electronic Security Limited also on 10 April 2001.

None of the directors in office at the period-end held any interest in the share capital of the Company or any other subsidiary of Chubb plc.

The directors' interests in the share capital of the Company's ultimate holding company, Chubb plc, are as follows: -

| Name | Chubb plc Ordinary Shares of 36p each | | | |
|-------------|--|---------|------------------|---------|
| | At 1 February 2000 or date of appointment | | At 10 April 2001 | |
| | Shares | Options | Shares | Options |
| P H Buffery | Nil | 23,437 | Nil | 23,437 |
| D B Strydom | Nil | 68,549 | Nil | 68,549 |

In addition, Mr D B Strydom was granted a conditional award under the Chubb Performance Share Plan on 21 March 2001, of 37,085 shares, at a price of £1.41 per share.

Directors' interests in contracts

During the period, none of the directors held any material interest in any contract of significance in relation to the Company's business.

Payments to suppliers

The Chubb Group policy requires the Company to apply appropriate controls to working capital management, whilst developing relationships with suppliers. In view of the international nature of the Group's activities, no universal code or standard on payment policy is followed, but the Company is expected to establish payment terms consistent with the above policy, local procedures, custom and practice.

The number of days purchases outstanding at 10 April 2001 was 44 days (31 January 2000: 18 days).

SISYS Limited

Directors' report for the 62 week period ended 10 April 2001 (continued)

Statement of directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss of the Company for that period.

The directors consider that in preparing the financial statements the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

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 also have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

In adopting a going concern basis in the financial statements the directors, after making enquiries, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Auditors

Lloyd-Allen, Day & Co resigned as auditors of the Company during the period. PricewaterhouseCoopers were appointed, by the board, as auditors of the Company on 10 April 2001.

As a consequence of an elective resolution passed on 22 May 2001, PricewaterhouseCoopers will continue in office until further notice.

By order of the Board



A J Birchall
Secretary

Date 25 April 2002

SISYS Limited

Independent auditors' report to the members of SISYS Limited

We have audited the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

Basis of audit 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 the company's affairs at 10 April 2001 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

25 April 2002

SISYS Limited

Profit and loss account for the 62 week period ended 10 April 2001

| | | 62 week period ended 10 April 2001 £ | Year ended 31 January 2000 £ |
|--|-------|--|---------------------------------------|
| | Notes | | |
| Turnover | 2 | 2,447,872 | 1,422,231 |
| Cost of sales | | (681,846) | (407,657) |
| Gross profit | | 1,766,026 | 1,014,574 |
| Administration expenses | | (1,870,958) | (339,239) |
| Selling and distribution expenses | | (11,166) | (639,389) |
| Operating (loss)/profit | | (116,098) | 35,946 |
| Interest receivable | 3 | 8,649 | 3,143 |
| (Loss)/profit on ordinary activities before taxation | 4 | (107,449) | 39,089 |
| Tax on (loss)/profit on ordinary activities | 8 | (10,047) | (1,402) |
| (Loss)/profit on ordinary activities after taxation | | (117,496) | 37,687 |
| Dividend | 9 | (129,369) | - |
| Retained (loss)/profit transferred (from)/to reserves | 17 | (246,865) | 37,687 |

All of the business activities of the Company relate to continuing operations.

The Company has no recognised gains and losses other than the loss for the period, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the loss for the period stated above, and their historical cost equivalents.

The notes on pages 7 to 14 form part of these financial statements.

SISYS Limited

Balance sheet as at 10 April 2001

| | Notes | 10 April 2001 £ | 31 January 2000 £ |
|---|-------|-----------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 10 | 103,080 | 110,212 |
| Current assets | | | |
| Stocks | 11 | 62,846 | 123,874 |
| Debtors | 12 | 413,448 | 273,106 |
| Cash at bank and in hand | | 300,756 | 190,000 |
| | | 777,050 | 586,980 |
| Creditors: amounts falling due within one year | 13 | (610,692) | (189,850) |
| Net current assets | | 166,358 | 397,130 |
| Total assets less current liabilities | | 269,438 | 507,342 |
| Provisions for liabilities and charges | 14 | (8,961) | - |
| | | 260,477 | 507,342 |
| Capital and reserves | | | |
| Called up share capital | 16 | 116 | 116 |
| Share premium account | 17 | 20,209 | 20,209 |
| Profit and loss account | 17 | 240,152 | 487,017 |
| Equity shareholders' funds | 18 | 260,477 | 507,342 |

The financial statements on pages 5 to 14 were approved by the Board of directors on
25 April 2002 and were signed on its behalf by:

Director



SISYS Limited

Notes to the financial statements for the 62 week period ended 10 April 2001

1 Principal accounting policies

(a) Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom. The financial statements have been prepared on the going concern basis for this period.

(b) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated to write off the cost of tangible fixed assets, less their estimated residual values over the estimated useful lives of the assets concerned. The principal annual rates used for this purpose are:

| | | |
|------------------------------|-----|----------------------|
| Freehold land | nil | |
| Freehold buildings | 4% | straight line |
| Leasehold land and buildings | | over period of lease |
| Fixtures and fittings | 15% | reducing balance |
| Motor vehicles | 25% | reducing balance |

(c) Operating leases

Rentals payable under operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the profit and loss account as incurred.

(d) Turnover

Revenue is recognised on the following basis:

| | |
|--------------|--|
| Systems: | On client acceptance of the system |
| Support: | On an incremental basis over the period of the support agreement |
| Consumables: | On delivery |
| Services: | On delivery of services |

(e) Stocks and work in progress

Stocks are stated 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 prices less costs expected to be incurred on disposal.

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Notes to the financial statements for the 62 week period ended 10 April 2001 (continued)

(f) Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period.

(g) Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

(h) Cash flow statement

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

2 Turnover

All turnover is derived from the UK.

3 Interest receivable

| | 62 week period ended 10 April 2001 £ | Year ended 31 January 2000 £ |
|---------------|---|---|
| Bank interest | 8,649 | 3,143 |

SISYS Limited

Notes to the financial statements for the 62 week period ended 10 April 2001 (continued)

4 (Loss)/profit on ordinary activities before taxation

The (loss)/profit on ordinary activities before tax is stated after charging/(crediting)

| | 62 week period ended 10 April 2001 £ | Year ended 31 January 2000 £ |
|--|---|------------------------------------|
| Profit on sale of assets | - | (34,766) |
| Depreciation of tangible fixed assets owned by the company | 37,236 | 20,123 |
| Auditors' remuneration | - | 2,750 |
| Operating leases - Plant & Machinery | 69,058 | 49,474 |
| - Other | 36,263 | 30,360 |

The current year audit fee will be borne by the parent company.

5 Directors' Emoluments

| | 62 week period ended 10 April 2001 £ | Year ended 31 January 2000 £ |
|--|---|------------------------------------|
| Aggregate emoluments | 253,499 | 216,898 |
| Compensation for loss of office | 324,880 | - |
| Contributions to defined contribution pension scheme | 308,815 | 7,052 |
| | 887,194 | 223,950 |

One director exercised his share options during the year.

One director is accruing retirement benefits under a defined contribution pension scheme

| | 62 week period ended 10 April 2001 £ | Year ended 31 January 2000 £ |
|--|---|------------------------------------|
| In respect of the highest paid director | | |
| Aggregate emoluments | 185,250 | 168,600 |
| Compensation for loss of office | 324,880 | - |
| Contributions to defined contribution pension scheme | 308,815 | 7,052 |

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Notes to the financial statements for the 62 week period ended 10 April 2001 (continued)

6 Staff costs

| | 62 week period ended 10 April 2001 £ | Year ended 31 January 2000 £ |
|-----------------------|---|------------------------------------|
| Staff costs | | |
| Wages and salaries | 1,126,503 | 678,605 |
| Social security costs | 116,459 | 66,662 |
| Other pension costs | 308,815 | 7,052 |
| | 1,551,777 | 752,319 |

7 Employee information

The average number of persons employed by the company during the period were as follows:

| | 62 week period ended 10 April 2001 No | Year ended 31 January 2000 No |
|--------------------------|--|-------------------------------------|
| Sales and Administration | 9 | 9 |
| Technical and Support | 16 | 17 |
| | 25 | 26 |

8 Tax on (loss)/profit on ordinary activities

| | 62 week period ended 10 April 2001 £ | Year ended 31 January 2000 £ |
|--|---|------------------------------------|
| Tax charge on profit on ordinary activities | | |
| United Kingdom corporation tax at 30% (2000: 20%) | | |
| Current | - | 1,402 |
| Deferred | 8,961 | - |
| Under provision in respect of prior years: | | |
| Current | 1,086 | - |
| | 10,047 | 1,402 |

SISYS Limited

Notes to the financial statements for the 62 week period ended 10 April 2001 (continued)

9 Dividends

| | 62 week period ended 10 April 2001 £ | Year ended 31 January 2000 £ |
|--|---|------------------------------------|
| 1 st interim dividend @ £125 per share | 57,626 | - |
| 2 nd interim dividend @ £161.22 per share | 71,743 | - |
| | 129,369 | - |

A minority of shareholders decided to waive their right to a dividend during the year.

10 Tangible fixed assets

| | Land and Buildings Short lease £ | Fixtures and Fittings £ | Motor Vehicles £ | Total £ |
|-------------------------|---|----------------------------------|------------------------|----------------|
| Cost | | | | |
| At 1 February 2000 | 35,769 | 227,484 | 17,900 | 281,153 |
| Additions | - | 30,104 | - | 30,104 |
| At 10 April 2001 | 35,769 | 257,588 | 17,900 | 311,257 |
| Depreciation | | | | |
| At 1 February 2000 | 35,768 | 121,565 | 13,608 | 170,941 |
| Charge for period | - | 35,960 | 1,276 | 37,236 |
| At 10 April 2001 | 35,768 | 157,525 | 14,884 | 208,177 |
| Net book value | | | | |
| At 10 April 2001 | 1 | 100,063 | 3,016 | 103,080 |
| At 31 January 2000 | 1 | 105,919 | 4,292 | 110,212 |

11 Stocks

| | 10 April 2001 £ | 31 January 2000 £ |
|-------------------------------------|--------------------|----------------------|
| Finished goods and goods for resale | 62,846 | 123,874 |

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Notes to the financial statements for the 62 week period ended 10 April 2001 (continued)

12 Debtors

| | 10 April 2001 £ | 31 January 2000 £ |
|---------------|--------------------|----------------------|
| Trade debtors | 404,077 | 262,432 |
| Other debtors | 9,371 | 10,674 |
| | 413,448 | 273,106 |

13 Creditors: amounts falling due within one year

| | 10 April 2001 £ | 31 January 2000 £ |
|------------------------------------|--------------------|----------------------|
| Trade creditors | 103,204 | 32,813 |
| Amounts owed to group undertakings | - | 296 |
| Corporation tax | - | 1,042 |
| Social security and other taxes | 296,698 | 56,327 |
| Other creditors | 210,790 | 99,012 |
| | 610,692 | 189,850 |

14 Provision for liabilities and charges

Deferred taxation

The deferred taxation liability provided in the financial statements and the amount unprovided of the total potential liability, are as follows:

| | Amount provided 2001 £'000 | Amount provided 2000 £'000 | Amount unprovided 2001 £'000 | Amount unprovided 2000 £'000 |
|---|-------------------------------------|-------------------------------------|---------------------------------------|---------------------------------------|
| Tax effect of timing differences because of: | | | | |
| Excess of capital allowances over depreciation | 12,662 | - | - | 10,738 |
| Other | (3,701) | - | (26,835) | - |
| | 8,961 | - | (26,835) | 10,738 |

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Notes to the financial statements for the 62 week period ended 10 April 2001 (continued)

15 Pensions and similar obligations

The assets of the defined contribution pension scheme are administered by trustees in a fund independent from those of the company.

The pension charge for the period was £308,815 (year ended 31 January 2000: £7,052)

There were no amounts outstanding at 10 April 2001(31 January 2000:£nil).

16 Called up share capital

| | 10 April 2001 £ | 31 January 2000 £ |
|---|--------------------|----------------------|
| Authorised | | |
| 4,000 ordinary shares of 25p each | 1,000 | 1,000 |
| Allotted, called up and fully paid | | |
| 465 ordinary shares of 25p each | 116 | 116 |

17 Reserves

| | Share Premium £ | Profit & Loss Reserve £ |
|---------------------------|-----------------------|-------------------------------|
| At beginning of period | 20,209 | 487,017 |
| Loss for financial period | - | (246,865) |
| At end of period | 20,209 | 240,152 |

18 Reconciliation of movements in shareholders' funds

| | 10 April 2001 £ |
|--|--------------------|
| Opening shareholders' funds | 507,342 |
| Loss for financial period after taxation | (246,865) |
| Closing shareholders' funds | 260,477 |

19 Transactions with directors and other related party transactions

In accordance with the exemption allowed by Financial Reporting Standard No.8 "Related

SISYS Limited

Notes to the financial statements for the 62 week period ended 10 April 2001 (continued)

Party Disclosures", transactions with other undertakings within the Chubb plc group have not been disclosed in these financial statements. Amounts owed to other Chubb plc undertakings are shown under note 13 "amounts owed by group companies".

Additionally, G A Douglas, an ex Director of the company leases a property to the company:

| | |
|------------------------------------|---------|
| Amount of rental charged in period | £36,263 |
| Amount outstanding at period end | £Nil |

A new lease was signed on 10 April 2001 for 2 years for an annual rental of £22,500.

20 Ultimate parent company and controlling party

The immediate parent undertaking is Chubb Electronic Security Limited, a company registered in England and Wales.

The ultimate parent undertaking and controlling party is Chubb plc, a company incorporated in Great Britain, which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Copies of the Chubb plc group financial statements can be obtained from Company Secretary, Chubb plc, Pentagon House, Sir Frank Whittle Road, Derby DE21 4XA.

21 Capital commitments

There was £nil capital expenditure contracted but not provided for at 10 April 2001 (31 January 2000: nil).

22 Operating lease commitments

At 10 April 2001 the company had annual commitments under non-cancellable operating leases as follows:

| | Land & Buildings £ | 10 April 2001 Other £ | Land & Buildings £ | 31 January 2000 Other £ |
|-------------------|--------------------------|-----------------------------|--------------------------|-------------------------------|
| Leases expiring: | | | | |
| Within one year | 22,500 | 52,983 | 30,360 | 35,115 |
| Two to five years | 22,500 | 30,812 | 151,800 | 33,379 |
| | 45,000 | 83,795 | 182,160 | 68,494 |