

ARNOS DEVELOPMENTS LTD T/A ACORN SECURITY PRODUCTS

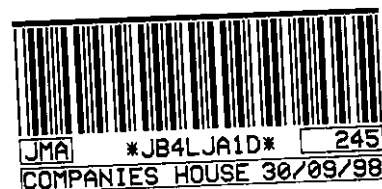
ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30th NOVEMBER 1997

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Arnos Developments Ltd T/A Acorn Security Products was incorporated
in England on 3rd August 1982.

Company Registration Number: 1656047



AUDITORS REPORT TOARNOS DEVELOPMENTS LTD T/A ACORN SECURITY PRODUCTSUNDER SECTION 247B OF THE COMPANIES ACT 1985Company Registration No:1656047

We have examined the Abbreviated Accounts set out on pages 2 to 6, together with the Financial Statements of the Company for the Year ended 30th November 1997 prepared under section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

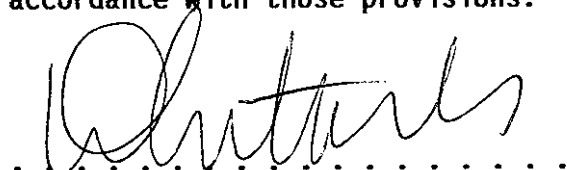
The Directors are responsible for preparing the Abbreviated Accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the Company is entitled to deliver Abbreviated Accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the Financial Statements, that the Company is entitled to deliver Abbreviated Accounts and that the Abbreviated Accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the Financial Statements.

OPINION

In our opinion, the Company is entitled to deliver Abbreviated Accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the Abbreviated Accounts on pages 2 to 6 are properly prepared in accordance with those provisions.

Registered Auditors

DATE: ...21-5-98.....

WHITNALLS (REGISTERED AUDITORS)
44A LIVERPOOL ROAD
LYDIATE
MERSEYSIDE
L31 2LZ

ARNOS DEVELOPMENTS LTD T/A ACORN SECURITY PRODUCTS

ABBREVIATED BALANCE SHEET AS AT 30th NOVEMBER 1997

	Note	1997 £	1996 £
<u>FIXED ASSETS</u>			
Intangible Assets	2	62,250	-
Tangible Assets	3	861,909	770,874
		<u>924,159</u>	<u>770,874</u>
<u>CURRENT ASSETS</u>			
Stocks		442,708	482,475
Debtors	4	539,206	537,660
Cash at Bank and in Hand		3,360	1,807
		<u>985,274</u>	<u>1,021,942</u>
Creditors: Amounts falling due within one year	5	(926,498)	(810,131)
Net Current Assets		<u>58,776</u>	<u>211,811</u>
Total Assets Less Current Liabilities		982,935	982,685
Creditors: Amounts falling due after more than one year	6	(369,262)	(408,428)
<u>Provisions For Liabilities And Charges:</u>			
Deferred Taxation		(73,916)	(76,982)
Other Provisions		(37,800)	(44,400)
Net Assets		<u>501,957</u> =====	<u>452,875</u> =====
<u>CAPITAL AND RESERVES</u>			
Share Capital	7	5,000	5,000
Other Reserves		29,637	29,637
Profit and Loss Account		467,320	418,238
		<u>501,957</u> =====	<u>452,875</u> =====

The Abbreviated Financial Statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to Small Companies.

Date approved by the Board: 21-5-98

Director 

The Notes on pages 3 to 6 form part of these Financial Statements.

ARNOS DEVELOPMENTS LTD T/A ACORN SECURITY PRODUCTSNOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30th NOVEMBER 19971. ACCOUNTING POLICIES.

The Financial Statements have been prepared in accordance with the Historical Cost Convention.

The principal Accounting Policies which the Directors have adopted within that convention are set out below.

TURNOVER.

The Turnover shown in the Profit and Loss Account represents sales invoiced by the Company during the year.

DEPRECIATION.

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Freehold Buildings	1% on valuation.
Plant & Equipment	5% on a reducing balance basis.
Fixtures & Fittings	15% on a reducing balance basis.
Leased Assests	25% on a reducing balance basis.
Motor Vehicles	25% on a reducing balance basis.

STOCK.

Stock has been valued by the Directors at the lower of cost or net realisable value. The basis of this stock valuation has not changed from the previous year.

DEBTORS.

Debtors are shown after making provision for all debts which the Directors feel are likely to prove irrecoverable.

HIRE PURCHASE AGREEMENTS.

Assets held under Hire Purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to Profit and Loss Account.

FINANCE LEASE AGREEMENTS.

Assets held under Finance Leases where substantially all of the benefits and risks of ownership accrue to the Company, are capitalised and disclosed under tangible fixed assets at their fair value. The assets are depreciated over the shorter of the lease term or their useful economic life. The capital element of the future payments is treated as a liability. The total finance charge for each lease is charged against profits so as to produce a constant periodic rate of charge on the remaining balance of the obligation for each accounting period.

ARNOS DEVELOPMENTS LTD T/A ACORN SECURITY PRODUCTSNOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30th NOVEMBER 1997
(Continued)DEFERRED TAXATION.

Provision has been made for Deferred Taxation, which has been calculated at the rate of Corporation Tax applying at the date of the Balance Sheet, as a result of accelerated Capital Allowances being the difference between the Balance Sheet Written Down Value and the Written Down Value for taxation purposes.

GRANTS RECEIVABLE.

Grants receivable are written off to the Profit and Loss Account at the same rate as the Assets to which they relate.

2. INTANGIBLE ASSETS.

	<u>DEVELOPMENT</u>
<u>COST:</u>	£
Additions at cost	62,250
Balance carried forward at 30th November 1997	<u>62,250</u> =====
 <u>NET BOOK VALUE:</u>	 £
Net book value at 30th November 1997	<u>62,250</u> =====

The costs relate to development expenditure during the year in producing and refining new Security products relating specifically to door and screens resistant to firearms and explosives. The company has now received substantial orders as a result of the successful testing and intends to write off the expenditure over a period of four years commencing in the year to 30th November 1998.

ARNOS DEVELOPMENTS LTD T/A ACORN SECURITY PRODUCTSNOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30th NOVEMBER 1997
(Continued)3. FIXED TANGIBLE ASSETS.

	<u>TOTAL</u>
<u>COST OR VALUATION:</u>	£
Balance brought forward at 1st December 1996	913,022
Additions at cost	138,175
Disposals at cost	(26,403)
Balance carried forward at 30th November 1997	<u>1,024,794</u> =====
<u>DEPRECIATION:</u>	£
Balance brought forward at 1st December 1996	142,149
Depreciation on disposals	(11,003)
Depreciation charge for the period	31,739
Balance carried forward at 30th November 1997	<u>162,885</u> =====
<u>NET BOOK VALUE:</u>	£
Net book value at 30th November 1997	<u>861,909</u> =====
Net book value at 1st December 1996	<u>770,873</u> =====

4. DEBTORS.

All amounts shown as Debtors are recoverable within one year.

5. CREDITORS: Amounts falling due within one year.

	<u>1997</u>	<u>1996</u>
	£	£
Bank Loans and Overdrafts	<u>349,486</u> =====	<u>288,673</u> =====

The bank borrowings are secured.

ARNOS DEVELOPMENTS LTD T/A ACORN SECURITY PRODUCTSNOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30th NOVEMBER 1997
(Continued)6. CREDITORS: Amounts falling due after more than one year.

The Balance Sheet amount includes the following amount due after more than one year.

	<u>1997</u> £	<u>1996</u> £
Pension Scheme Loan	40,000	40,000
Bank Loans and Overdrafts	279,549	298,770
Obligations under Hire Purchase	49,713	69,658
	<u>369,262</u>	<u>408,428</u>
	=====	=====

The maturity of obligations under Hire Purchase & Finance Leases is as follows:

	<u>1997</u> £	<u>1996</u> £
Amounts payable within 1 year	50,131	65,627
Amounts payable between 2 to 5 years	68,475	97,850
	<u>118,607</u>	<u>163,478</u>
<u>Less: Finance charges relating to future periods</u>	<u>(32,121)</u>	<u>(43,018)</u>
	<u>86,485</u>	<u>120,459</u>
	=====	=====

7. SHARE CAPITAL.

	<u>1997</u> £	<u>1996</u> £
<u>AUTHORISED SHARE CAPITAL:</u>		
10,000 Ordinary Shares of £1 each	<u>10,000</u>	<u>10,000</u>
	=====	=====
 <u>ALLOTTED, CALLED UP AND FULLY PAID:</u>		
5,000 Ordinary Shares of £1 each	<u>5,000</u>	<u>5,000</u>
	=====	=====