

1804778

SABREWATCH LIMITED
AND ITS SUBSIDIARIES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1995

REGISTRAR
OF COMPANIES



SABREWATCH LIMITED
DIRECTORS' REPORT
COMPANY NUMBER 1804778

DIRECTORS:

L LUCAS ESQ
M OLLERTON ESQ
J HURRELL ESQ (Resigned 31.5.1994)
M STEERS ESQ
THE LORD RAYNER

SECRETARY:

M OLLERTON ESQ

REGISTERED OFFICE:

10 BRIDGE STREET
CHRISTCHURCH
DORSET
BH23 1EF

AUDITORS:

FILER KNAPPER
CHARTERED ACCOUNTANTS
10 BRIDGE STREET
CHRISTCHURCH BH23 1EF

The Directors present their Report and the Financial Statements of the Company for the year ended 31 March 1995.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the Company and Group in the year under review was that of the provision of security services.

The company had a highly satisfactory year and this is reflected in the Financial Statements.

RESULTS AND DIVIDENDS

The profit for the year after taxation was £1,410,539 the details of which are set out on page 5 of the accounts.

The Directors are pleased to report that the Company paid a total dividend in respect of each ordinary share of £84.86.

SABREWATCH LIMITED

DIRECTORS' REPORT

COMPANY NUMBER 1804778

DIRECTORS

The Directors interests in the Share Capital of the Company were as follows:

	<u>Class of Capital</u>	<u>31. 3.95</u>	<u>31. 3.94</u>
L LUCAS ESQ	Ordinary £1	11,312	11,312
M OLLERTON ESQ	Ordinary £1	1,414	1,414
J HURRELL ESQ			
(Resigned 31.5.1994)	Ordinary £1	-	-
M STEERS ESQ	Ordinary £1	-	-
THE LORD RAYNER	Ordinary £1	-	-
Related Shareholdings:			
MRS M OLLERTON	Ordinary £1	1,414	1,414
		-----	-----

Options in the Company's shares have been granted as follows:

<u>Date</u>	<u>Name</u>	<u>Option</u>	<u>Price per Share</u>	<u>Period Exercisable</u>
15. 3.93	M Steers Esq	744 Shares	between £133.03 - £133.04	between 3 - 10 years
31.10.93	The Lord Rayner	744 Shares	£153	3 - 7 years

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 the affairs of the company and the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- 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 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 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.

FIXED ASSETS

Acquisitions and Disposals of Fixed Assets during the year are recorded in note 9 to the accounts.

SABREWATCH LIMITED

DIRECTORS' REPORT

COMPANY NUMBER 1804778

EMPLOYMENT OF DISABLED PERSONS

It is essential that all security guards have an extremely high degree of physical fitness. Notwithstanding this, applicants for administration positions within the Group are given equal opportunities for employment irrespective of any physical handicap.

Similarly, should any member become disabled all attempts will be made to transfer him, or her, to a suitable position within the company.

It is the policy of the Group that training, career development and promotion opportunities should be available to all employees.

EMPLOYEE PARTICIPATION

A periodical in-house magazine is circulated to all staff. All staff are visited by their managers on a weekly basis and updated on all aspects of company affairs. Any views expressed during these meetings are passed on to management so that they can be taken into account during the company's decision making process.

Employees are encouraged to increase performance by an annual profit related bonus scheme.

CLOSE COMPANY PROVISIONS

The Company is a 'close company' within the meaning of the Income and Corporation Taxes Act, 1988.

AUDITORS

The auditors, Filer Knapper, are deemed to be re-appointed in accordance with Section 386 of the Companies Act 1985 by virtue of an Elective Resolution passed by the members on 5 July 1991.

SIGNED ON BEHALF OF THE DIRECTORS:

M A Ollerton
.....

M OLLERTON ESQ

(SECRETARY)

TO THE MEMBERS OF SABREWATCH LIMITED

We have audited the financial statements on pages 5 to 19 which have been prepared under the accounting policies set out on pages 9 and 10.

Respective Responsibilities of Directors and Auditors

As described on page 2, 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 judgments 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 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 31 March 1995, and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



FILER KNAPPER

CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS

10 BRIDGE STREET CHRISTCHURCH DORSET BH23 1EF

14 SEPTEMBER 1995

SABREWATCH LIMITED AND ITS SUBSIDIARIES

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1995

<u>NOTE</u>		<u>1995</u> £	<u>1994</u> £
2	<u>TURNOVER</u>	20,958,929	17,648,883
	Cost of Sales	(17,300,884)	(14,458,964)
	<u>GROSS PROFIT</u>	3,658,045	3,189,919
	Administrative Expenses	(1,542,775)	(1,311,778)
	Other Income	89,163	79,579
4	<u>OPERATING PROFIT</u>	2,204,433	1,957,720
5	Interest Receivable	5,485	13,318
	<u>PROFIT ON ORDINARY ACTIVITIES</u>		
	<u>BEFORE INTEREST PAYABLE</u>	2,209,918	1,971,038
6	Interest Payable and Similar Charges	(130,227)	(151,318)
	<u>PROFIT ON ORDINARY ACTIVITIES</u>		
	<u>BEFORE TAXATION</u>	2,079,691	1,819,720
7	Tax on Profit on Ordinary Activities	(669,152)	(678,766)
	<u>PROFIT FOR THE FINANCIAL YEAR</u>	1,410,539	1,140,954
8	Dividends	(1,175,660)	(775,000)
	<u>RETAINED PROFIT FOR THE YEAR</u>	234,879	365,954

There were no recognised gains and losses other than those recognised
in the profit and loss account

The notes on pages 9 to 19 form part of these financial statements.

SABREWATCH LIMITED AND ITS SUBSIDIARIES

GROUP BALANCE SHEET AS AT 31 MARCH 1995

<u>NOTE</u>		<u>1995</u> £	<u>1994</u> £
	<u>FIXED ASSETS:</u>		
9	Tangible Assets	3,468,882	3,418,356
10	Investments	74,343	-
		<u>3,543,225</u>	<u>3,418,356</u>
	<u>CURRENT ASSETS:</u>		
11	Debtors	3,192,029	2,554,424
	Cash at Bank and In Hand	290,470	567,152
		<u>3,482,499</u>	<u>3,121,576</u>
	<u>CREDITORS:</u>		
12	Amounts falling due within one year	(3,049,483)	(2,388,720)
	<u>NET CURRENT ASSETS</u>	<u>433,016</u>	<u>732,856</u>
	<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>	<u>3,976,241</u>	<u>4,151,212</u>
	<u>CREDITORS:</u>		
13	Amounts falling due after more than one year	(1,084,473)	(1,498,340)
14	Provisions for Liabilities and Charges	(38,000)	(33,983)
	<u>NET ASSETS</u>	<u>£2,853,768</u>	<u>£2,618,889</u>
	<u>CAPITAL AND RESERVES:</u>		
15	Share Capital	14,140	14,140
17	Profit & Loss Account	2,839,628	2,604,749
18	<u>SHAREHOLDERS FUNDS</u>	<u>£2,853,768</u>	<u>£2,618,889</u>

These accounts were approved by the Board on ..14..September..1995.....

L LUCAS ESQ : DIRECTOR *L. Lucas*

M OLLERTON ESQ : DIRECTOR *M.A. Ollerton*

The notes on pages 9 to 19 form part of these financial statements.

SABREWATCH LIMITED AND ITS SUBSIDIARIES
COMPANY BALANCE SHEET AS AT 31 MARCH 1995

<u>NOTE</u>		<u>1995</u> £	<u>1994</u> £
	<u>FIXED ASSETS:</u>		
9	Tangible Assets	3,468,882	3,418,356
10	Investments	100	6,185
		-----	-----
		3,468,982	3,424,541
		-----	-----
	<u>CURRENT ASSETS:</u>		
11	Debtors	2,752,374	2,381,874
	Cash at Bank and In Hand	88,524	402,882
		-----	-----
		2,840,898	2,784,756
		-----	-----
	<u>CREDITORS:</u>		
12	Amounts falling due within one year	(2,370,040)	(2,041,803)
		-----	-----
	<u>NET CURRENT ASSETS</u>	470,858	742,953
		-----	-----
	<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>	3,939,840	4,167,494
		-----	-----
	<u>CREDITORS:</u>		
13	Amounts falling due after more than one year	(1,084,473)	(1,498,340)
14	Provisions for Liabilities and Charges	(38,000)	(33,983)
		-----	-----
	<u>NET ASSETS</u>	£2,817,367	£2,635,171
		=====	=====
	<u>CAPITAL AND RESERVES:</u>		
15	Share Capital	14,140	14,140
17	Profit & Loss Account	2,803,227	2,621,031
		-----	-----
	<u>SHAREHOLDERS FUNDS</u>	£2,817,367	£2,635,171
		=====	=====

These accounts were approved by the Board on14. September. 1995....

L LUCAS ESQ : DIRECTOR *P. Lucas*

M OLLERTON ESQ : DIRECTOR *M. A. Ollerton*

The notes on pages 9 to 19 form part of these financial statements.

SABREWATCH LIMITED AND ITS SUBSIDIARIES

GROUP CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 1995

	<u>NOTE</u>	<u>1995</u>	<u>1994</u>
		£	£
Net Cash Inflow from Operating Activities	22	2,202,632	1,570,773
Returns on Investments and Servicing of Finance:			
Interest Received		5,485	13,318
Interest Paid		(130,227)	(151,318)
Dividends Paid		(1,175,660)	(775,000)
		-----	-----
Net Cash Outflow from Returns On Investments and Servicing of Finance		(1,300,402)	(913,000)
Taxation:			
Corporation Tax Paid		(705,835)	(582,202)
		-----	-----
Tax Paid		(705,835)	(582,202)
Investing Activities:			
Payments to Acquire Tangible Fixed Assets		(174,167)	(278,989)
Receipts from Sales of Tangible Fixed Assets		41,000	42,463
Payments to Acquire Investments		(74,343)	-
		-----	-----
Net Cash Outflow from Investing Activities		(207,510)	(236,526)
		-----	-----
Net Cash (Outflow) Before Financing		(11,115)	(160,955)
Financing:			
Repayment of Amounts Borrowed		(265,567)	(243,996)
		-----	-----
Net Cash (Outflow) From Financing		(265,567)	(243,996)
		-----	-----
(Decrease) in Cash and Cash Equivalents	24	(276,682)	(404,951)
		=====	=====

SABREWATCH LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1995

1. ACCOUNTING POLICIES:

Basis of Preparation of Accounts

The financial statements are prepared under the historical cost convention, in accordance with applicable accounting standards, incorporating the results of the principal activity which is described in the directors' report and which is continuing.

Basis of Consolidation

The consolidated financial statements include the results of Sabrewatch Limited and its subsidiary undertakings drawn up to 31 March 1995. All inter group profits are eliminated on consolidation.

Tangible Fixed Assets

The cost of Tangible Fixed Assets are written off over their expected useful lives using the following rates:

Leasehold Property	- straight line over 125 years
Freehold Properties (U.K)	- not provided see below
Plant & Machinery	- 15% on reducing balance
Fixtures & Fittings	- 15% on reducing balance
Motor Vehicles	- 25% on reducing balance
Computer Equipment	- at various rates on straight line basis

Freehold Property

No depreciation has been provided on freehold land and buildings as the Directors are of the opinion that the buildings concerned are sufficiently well maintained to ensure that the residual value of such freehold property is not less than cost.

Deferred Taxation

Deferred Taxation, computed under the liability method, is provided in respect of timing differences, to the extent that that it is probable that a liability will arise in the foreseeable future.

Leased Assets

The cost of operating leases are charged to the profit and loss account as they accrue.

SABREWATCH LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1995

1. ACCOUNTING POLICIES: Continued

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the company's rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating profit.

Pensions

Pension contributions are charged to the profit and loss account when due by the Company. These contributions are invested separately from the Company assets.

2. TURNOVER:

The turnover of the company is the total of receivable amounts invoiced throughout the year, excluding value added tax. No useful geographical or component split of turnover can be made.

3. STAFF COSTS (INCLUDING DIRECTORS):

	<u>1995</u>	<u>1994</u>
<u>The Company</u>		
Wages & Salaries	12,958,284	11,269,794
Social Security Costs	1,267,463	1,141,822
Pension Costs	171,543	54,579
	-----	-----
	14,397,290	12,466,195
	=====	=====
The average number of employees during the year was as follows:		
Security Guards	806	760
Administration	37	31
	=====	=====

Staff costs include the following:

Directors Remuneration	238,824	202,284
Social Security Costs	24,350	19,784
Pension Costs	166,300	40,000
	-----	-----
	429,474	262,068
	=====	=====

In addition, the Directors were in receipt of benefits with an estimated value of £Nil, (1994 - £26,850).

Continued overleaf/.

SABREWATCH LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1995

3. STAFF COSTS (INCLUDING DIRECTORS): Continued

The emoluments of the chairman, excluding pension contributions, were £25,000 (1994 - £21,667). Other directors emoluments, excluding pension contributions, fell within the following ranges.

	<u>1995</u>	<u>1994</u>
£ 0 - £ 5,000	1	-
£30,001 - £35,000	-	1
£45,001 - £50,000	-	1
£60,001 - £65,000	-	1
£65,001 - £70,000	3	1
	=====	=====

4. OPERATING PROFIT:

The operating profit is stated after charging:

	<u>1995</u>	<u>1994</u>
Staff Costs (note 3)	16,808,222	13,775,568
Depreciation -		
Tangible Owned Fixed Assets	77,845	72,429
Auditors' Remuneration	29,200	23,500
Foreign Currency Exchange Losses	4,875	19,296
Hire of Vehicles - Operating Leases	38,225	170,539
	=====	=====

Payments made to Group Auditors in the United Kingdom for non-audit services amounted to £36,859 (1994 - £43,000); outside the United Kingdom £70,250 (1994 - £11,245). These fees relate to payroll and other advisory services.

5. INTEREST RECEIVABLE:

	<u>1995</u>	<u>1994</u>
Deposit Account Interest	3,418	13,318
Investment Income	2,067	-
	-----	-----
	5,485	13,318
	=====	=====

SABREWATCH LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1995

6. INTEREST PAYABLE AND SIMILAR CHARGES:

	<u>1995</u>	<u>1994</u>
On Bank Loans, Overdrafts and other Loans:		
Repayable Within 5 Years		
Not By Instalments	25,242	27,152
Repayable Wholly Or Partly		
In More Than Five Years	104,985	124,166
	-----	-----
	130,227	151,318
	=====	=====

7. TAXATION:

The tax charge on the profit on ordinary activities for the year was as follows:

	<u>1995</u>	<u>1994</u>
Corporation Tax at the current rate (33%)		
on the adjusted results of the year	665,135	644,783
Deferred Taxation	4,017	33,983
	-----	-----
	669,152	678,766
	=====	=====

The charge for the year has been affected by deferred taxation of approximately £5,750 (1994 - £3,859), being the effect of accelerated capital allowances.

8. DIVIDENDS:

	<u>1995</u>	<u>1994</u>
Dividends on Ordinary Shares:		
Paid during the year	1,175,660	775,000
	=====	=====

Dividend Policy

It is the company's policy to vote a dividend each year, the amount of which will be subject to:

the ratio of assets to loans not to fall below 1:1

increased retained profit

In 1994/95 the ratio of net assets to loans improved from 1.63:1 to 2.12:1, and the retained profit carried forward increased by £234,879.

SABREWATCH LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1995

9. TANGIBLE FIXED ASSETS:

THE GROUP AND COMPANY

	Long Leasehold Property £	Freehold Properties (U.K) £	Plant & Machinery £
<u>COST:</u>			
As at 1 April 1994	89,425	2,944,361	70,665
Additions	-	55,328	9,567
Disposals	-	-	-
As at 31 March 1995	89,425	2,999,689	80,232
<u>DEPRECIATION:</u>			
As at 1 April 1994	4,516	-	31,332
Charge for Year	714	-	6,443
Eliminated on Disposal	-	-	-
As at 31 March 1995	5,230	-	37,775
<u>NET BOOK VALUES:</u>			
As at 1 April 1994	£84,909	£2,944,361	£39,333
As at 31 March 1995	£84,195	£2,999,689	£42,457

	Fixtures & Fittings £	Motor Vehicles £	Computer Equipment £	Total £
<u>COST:</u>				
As at 1 April 1994	406,107	107,485	55,070	3,673,113
Additions	72,380	-	36,892	174,167
Disposals	-	(52,610)	-	(52,610)
As at 31 March 1995	478,487	54,875	91,962	3,794,670
<u>DEPRECIATION:</u>				
As at 1 April 1994	169,458	36,723	12,728	254,757
Charge for Year	40,204	5,574	24,910	77,845
Eliminated on disposal	-	(6,814)	-	(6,814)
As at 31 March 1995	209,662	35,483	37,638	325,788
<u>NET BOOK VALUES:</u>				
As at 1 April 1994	£236,649	£70,762	£42,342	£3,418,356
As at 31 March 1995	£268,825	£19,392	£54,324	£3,468,882

SABREWATCH LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1995

10. INVESTMENTS:

	<u>The Group</u>		<u>The Company</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
Shares at cost:				
Subsidiary Companies	-	-	6,185	6,185
Unlisted Investment	74,343	-	-	-
	<u>74,343</u>	<u>-</u>	<u>6,185</u>	<u>6,185</u>
Less Investment fully amortised in the year	-	-	6,085	-
	<u>74,343</u>	<u>-</u>	<u>100</u>	<u>6,185</u>
	=====	=====	=====	=====

At 31 March the subsidiaries, which are wholly owned, directly, by the Holding Company were:-

Trading Subsidiaries:

	<u>Country of Incorporation</u>	<u>Share Capital Class</u>	<u>Shares Issued</u>
Sabrewatch (Ireland) Limited	Ireland	Ordinary	100
Sabrewatch (France) SARL	France	Ordinary	50,000
			=====

Both of the companies are engaged in the provision of security services and their principal country of operation is the country of incorporation.

For each of the above, the aggregate amount of its capital and reserves, together with its profit or loss for the year to 31 March 1995, is as follows:

	<u>Capital & Reserves</u>	<u>Retained Profit/(Loss) for the year</u>
Sabrewatch (Ireland) Limited	36,466	7,709
Sabrewatch (France) SARL	(109,066)	(59,604)
	=====	=====

SABREWATCH LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1995

11. DEBTORS:

	<u>The Group</u>		<u>The Company</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
Trade Debtors	3,168,023	2,540,364	2,539,522	2,068,775
Other Debtors	24,006	7,145	9,324	5,584
Prepayments	-	6,915	-	-
Amount owed by Group Companies (see below)	-	-	203,528	307,515
	-----	-----	-----	-----
	3,192,029	2,554,424	2,752,374	2,381,874
	=====	=====	=====	=====

These amounts are all due within one year.

Amount owed by Group Companies	-	-	312,628	307,515
Provision for non-recoverability	-	-	(109,100)	-
	-----	-----	-----	-----
	-	-	203,528	307,515
	=====	=====	=====	=====

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR:

	<u>The Group</u>		<u>The Company</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
Bank Loans	260,000	111,700	260,000	111,700
Taxation	381,721	422,421	371,770	422,421
Trade Creditors	20,317	6,987	-	-
Social Security & Other Taxes	1,507,744	1,104,807	1,166,090	917,013
Other Creditors & Accruals	879,701	742,805	572,180	590,669
	-----	-----	-----	-----
	3,049,483	2,388,720	2,370,040	2,041,803
	=====	=====	=====	=====

Security:

The Bank Loans and Overdraft are secured by the Freehold and Leasehold Properties of the company.

SABREWATCH LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1995

13. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR:

	<u>The Group</u>		<u>The Company</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
Bank Loans under 5 years	1,040,000	446,800	1,040,000	446,800
Bank Loans over 5 years	44,473	1,051,540	44,473	1,051,540
	-----	-----	-----	-----
	1,084,473	1,498,340	1,084,473	1,498,340
	=====	=====	=====	=====

Security:

The Bank Loans and Overdraft are secured by the Freehold and Leasehold Properties of the company.

Bank loans and obligations under finance leases over 5 years:

Repayable by Instalments:

	<u>The Group</u>		<u>The Company</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
Bank Loan at 1½% over base rate per annum repayable over 20 years, in equal monthly instalments commencing 1.11.1989	92,715	413,509	92,715	413,509
Bank Loan at 1½% over base rate per annum repayable over 25 years in equal monthly instal- ments commencing 6.4.1992	991,758	1,084,831	991,758	1,084,831
	-----	-----	-----	-----
	1,084,473	1,498,340	1,084,473	1,498,340
	=====	=====	=====	=====

SABREWATCH LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1995

14. PROVISION FOR LIABILITIES AND CHARGES:

Deferred taxation provided in the financial statements, and the total potential liability, are set out below:

	<u>Amount Provided</u>		<u>Potential liability</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
<u>The Group:</u>				
Accelerated Capital Allowances	38,000	33,983	38,150	33,983
	=====	=====	=====	=====
<u>The Company:</u>				
Accelerated Capital Allowances	38,000	33,983	38,150	33,983
	=====	=====	=====	=====

15. CALLED UP SHARE CAPITAL:

	<u>1995</u>	<u>1994</u>
Authorised:		
Number: Class: Nominal Value:		
100,000 Ordinary £1	100,000	100,000
	=====	=====
Allotted, Issued & Fully Paid		
14,140 Ordinary £1 Shares	14,140	14,140
	=====	=====

16. SHARE OPTION SCHEMES:

At 31 March 1995, 1,448 (1994 - 1,448) of the authorised but unissued ordinary shares of £1 were reserved in respect of the following options.

<u>Share Option Scheme:</u>	<u>Exercisable between</u>	<u>Exercise prices per share</u>	<u>Shares subject to Option</u>
Employee	1996 - 2003	between £133.03-£133.04	744
Executive	1996 - 2000	£153	744
			=====

17. PROFIT AND LOSS ACCOUNT:

	<u>The Group</u>		<u>The Company</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
Balance as at 1 April 1994	2,604,749	2,238,795	2,621,031	2,367,764
Profit retained for the year	234,879	365,954	182,196	253,267
	=====	=====	=====	=====
Balance as at 31 March 1995	2,839,628	2,604,749	2,803,227	2,621,031
	=====	=====	=====	=====

SABREWATCH LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1995

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS:

<u>Group</u>	<u>1995</u>	<u>1994</u>
Profit for the year	1,410,539	1,140,954
Dividend	(1,175,660)	(775,000)
Retained Profit for the year	234,879	365,954
Shareholders' Funds at 1 April 1994	2,618,889	2,252,935
Shareholders' Funds at 31 March 1995	2,853,768	2,618,889
	=====	=====

19. PENSION CONTRIBUTIONS:

The Company operates a 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 £171,543 (1994 - £54,579). At the balance sheet date all contributions had been fully paid to the pension scheme.

DIRECTORS' PENSIONS:

During the financial year the directors were advised that the Inland Revenue were, with effect from 1 September 1994, amending the rules regarding the funding of executive pension schemes. In order to ensure that the maximum available benefits were obtained, additional contributions were made in August 1994, on behalf of the directors.

20. CAPITAL COMMITMENTS:

At the year end the group had capital commitments not provided for in these accounts as follows:

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Authorised by the directors but not contracted for	1,295,000	-
	=====	=====

SABREWATCH LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1995

21. NET PROFIT FOR THE YEAR:

The company has taken advantage of Section 230(4) of the Companies Act 1985, and has not included its own Profit and Loss Account in these financial statements.

A profit of £1,473,040 (1994 - £1,028,268), of the Group profit for the year is dealt with in the financial statements of the parent company.

22. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES:

	<u>1995</u> £	<u>1994</u> £
Operating Profit	2,204,433	1,957,720
Depreciation Charges	77,845	72,428
Loss on Sale of Tangible Fixed Assets	4,796	3,752
Increase in debtors	(637,605)	(785,330)
Increase in Creditors	553,163	322,203
	-----	-----
Net Cash Inflow from Operating Activities	2,202,632	1,570,773
	=====	=====

23. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR:

	<u>1995</u> £	<u>1994</u> £
Balance at 1 April 1994	567,152	972,103
Change in year	(276,682)	(404,951)
	-----	-----
Balance at 31 March 1995	290,470	567,152
	=====	=====

24. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET:

	<u>1995</u> £	<u>1994</u> £	<u>Change in</u> <u>Year</u> £
Cash at Bank and In Hand	290,470	567,152	(276,682)
	=====	=====	=====