London Security plc

Interim report for the period ended

31 January 2008

Registered Number 53417

London Security plc

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Contents

London Security plc

Profit and loss account for the period ended 31 January 2008

	Note	1 month to 31 January 2008 £'000	12 months to 31 December 2007 £'000
Administrative expenses		**(118)**	(1,717)
Operating loss		**(118)**	(1,717)
Interest payable and similar charges	2	**(163)**	(3,860)
Income from fixed asset investments – dividend received from subsidiary undertaking		**6,000**	10,960
Interest receivable		**38**	140
Profit on ordinary activities before taxation	3	**5,757**	5,523
Tax on profit on ordinary activities		**-**	1,197
Profit attributable to equity shareholders		**5,757**	6,720
Dividend		**-**	(6,146)
Profit transferred to reserves		**5,757**	574

There is no material difference between the profit on ordinary activities before taxation and the sustained loss for the periods stated above, and their historical cost equivalents

London Security plc

Balance sheet as at 31 January 2008

		1 month to 31 January 2008 £'000	12 months to 31 December 2007 £'000
Fixed assets			
Investments	5	**53,929**	53,929
Plane	6	**709**	713
		54,638	54,642
Current assets			
Debtors	7	**8,323**	2,323
Cash at bank and in hand		**2,370**	2,370
		10,693	4,693
Creditors – amounts falling due within one year	8	**(27,926)**	(27,687)
Net current (liabilities) / assets		**(17,233)**	(22,994)
Total assets less current liabilities		**37,405**	31,648
Creditors – amounts falling due after more than one year	9	**(24,823)**	(24,823)
Net assets		**12,582**	6,825
Capital and reserves			
Share capital	10	**123**	123
Profit and loss account	11	**12,459**	6,702
Equity shareholders' funds	12	**12,582**	6,825

The financial statements on pages 3 to 9 were approved by the Board of Directors and were signed on its behalf by

J-C Pillois

Director

25 March 2008

London Security plc

Accounting policies

Basis of accounting
The financial statements have been prepared in accordance with the Companies Act 1985 and applicable Accounting Standards in the United Kingdom A summary of the more important accounting policies, which have been applied consistently, is set out below

In the opinion of the directors it is appropriate to draw up the financial statements on the going concern basis as the parent company has given an undertaking to provide continued financial support to the company for a period of at least twelve months from the date on which the financial statements were signed

Investment in subsidiary companies
Investments in subsidiary undertakings are accounted for at cost A provision to reduce the carrying value of a subsidiary is made if an impairment in its value occurs

Currency translation
Items denominated in foreign currency are translated into Sterling at the rates of exchange ruling at the balance sheet date

Deferred tax
The charge for taxation is based on the result for the year Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax in future, or a right to pay less tax, at a future date at rates expected to apply when they crystallise, based on current tax rates and laws Deferred tax assets are only recognised to the extent that it is regarded as more likely than not that they will be recovered Deferred tax assets and liabilities recognised have not been discounted

Notes to the financial statements for the period ended 31 January 2008

1 Employee information and directors' emoluments

Staff costs, including directors emoluments

	2008 £'000	2007 £'000
Wages and Salaries	**63**	758
Social security costs	**7**	88
Pension costs	**2**	22
	72	868

Average monthly number of employees by geographical area

	2008	2007
United Kingdom	**10**	10

Directors' emoluments

	2008 £'000	2007 £ 000
Aggregate emoluments	**291**	513

2 Interest payable

	2008 £'000	2007 £'000
On bank loans	**160**	1,676
Exchange loss	**-**	2,149
Amortisation of loan arrangement fees	**3**	35
	163	3,860

3 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging

	2008 £	2007 £
Auditors' remuneration for audit services	**1,750**	1,750

4 Dividends

Equity - ordinary	2008 £'000	2007 £'000
Final paid – nil p per ordinary share (2007 50 00p per ordinary share)	**-**	6,146

Notes to the financial statements for the period ended 31 January 2008 (continued)

5 Investments

	2008 £'000	2007 £'000
Shares in subsidiary undertakings	**35,956**	35,956
Long term loans provided to subsidiary undertakings	**17,973**	17,973
	53,929	53,929

6 Share in plane

	2008 £'000	2007 £ 000
Cost	**1,019**	1,019
Accumulated depreciation at start of period	**306**	255
Charge for the period	**4**	51
Accumulated depreciation at end of period	**310**	306
Net book value	**709**	713

7 Debtors

	2008 £'000	2007 £'000
Amounts falling due within one year:		
Amounts owed by subsidiary undertakings	**7,560**	1,560
Amounts owed by related undertakings	**517**	517
Other debtors	**246**	246
	8,323	2,323

8 Creditors – amounts falling due within one year

	2008 £'000	2007 £'000
Bank loans	**3,905**	3,905
Amounts owed to subsidiary undertakings	**23,298**	23,298
Other creditors	**194**	194
Accruals	**529**	290
	27,926	27,687

Notes to the financial statements for the period ended 31 January 2008 (continued)

9 Creditors – amounts falling due after more than one year

	2008 £'000	2007 £ 000
Bank loans	**24,823**	24,823
	24,823	24,823

The bank loan is repayable as follows

	2008 £'000	2007 £'000
In one year or less	**3,905**	3,905
Between one and two years	**3,905**	3,905
Between two and five years	**20,918**	20,918
	28,728	28,728

10 Called up share capital

	2008 £'000	2007 £'000
Authorised		
67,539,188 ordinary shares of 1p each	**675**	675
Issued, called up and fully paid		
12,294,798 ordinary shares of 1p each	**123**	123

11 Reserves

	Profit and loss account £'000
At 1 January 2008	6,702
Retained profit for the period	5,757
At 31 January 2008	**12,459**

12 Reconciliation of movements in equity shareholders' funds

	2008 £'000	2007 £'000
Profit for the period	**5,757**	6,817
Dividends	**-**	(6,146)
Retained profit for the period	**5,757**	671
Purchase of own shares	**-**	(97)
Net movement in Company equity shareholders' funds	**5,757**	574
Opening Company equity shareholders' funds	**6,825**	6,251
Closing Company equity shareholders' funds	**12,582**	6,825

Notes to the financial statements for the period ended 31 January 2008 (continued)

13 Ultimate parent company and controlling party

The directors regard EOI Fire S à r l , a company registered in Luxembourg, as the ultimate parent undertaking

The directors regard Mr J G Murray as the ultimate controlling party through his controlling interest in EOI Fire S a r l

14 Related party transactions

The company has incurred £Nil (2007 £178,000) of expenditure on behalf of JG Murray which is to be reimbursed by a related undertaking