

London House Ltd.

P K ELECTRONIC INTERNATIONAL LIMITED

1958854

DIRECTORS' REPORT
AND FINANCIAL STATEMENTS

for the year ended 31st December, 1992



W.A. SAGGERS & CO

Chartered Accountants

74A, HEATH ROAD,

TWICKENHAM, TW1 4BW

TELEPHONE 061-891 2233

P K ELECTRONIC INTERNATIONAL LIMITED

DIRECTORS REPORT

FOR THE YEAR ENDED 31st DECEMBER 1992

FINANCIAL STATEMENTS

The Directors present their report and financial statements for the year ended 31 December 1992.

PRINCIPAL ACTIVITIES

The principal activity of this company is the sale of sophisticated electronic security systems to governments and other organisations throughout the world.

DIVIDENDS

The Director does not recommend payment of a dividend for the year ended 31st December 1992, due to there being a loss of £388,031, largely brought about by the liquidation of Personal Protection Products Limited which the Company, at the request of the shareholders, supported for 4 years and therefore this debt must now be written off.

FIXED ASSETS

Changes in fixed assets are shown in note 4 to the financial statements.

TAX STATUS

In the opinion of the Director the company is a close company within the meaning of Section 414 Income and Corporation Taxes Act 1988.

DIRECTORS

The members of the Board who served throughout the year and their interests in the share capital of the company were:

	<u>Ordinary shares</u>	
	<u>1991</u>	<u>1992</u>
D A Myers	1	1

AUDITORS

In accordance with Section 394 of the Companies Act 1985, a resolution proposing that W A Siggers & Co be reappointed as Auditors of the Company will be put to the Annual General Meeting.



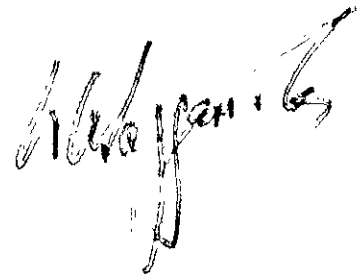
Secretary

AUDITORS REPORT

TO THE MEMBERS OF P. K. ELECTRONIC INTERNATIONAL LIMITED

We have audited the attached financial statements in accordance with the approved Auditing Standards.

In our opinion the financial statements which have been prepared under the historical cost convention give a true and fair view of the Company's affairs as at 31 December 1992 and comply with the Companies Act 1985.



W A SAGGERS & CO
74a Heath Road
Twickenham
Middlesex
TW1 4BW

Chartered Accountants
Registered Auditor

P K ELECTRONIC INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31st December 1992

	<u>Notes</u>	<u>1991</u>	<u>1992</u>
Turnover		367,417	126,820
Cost of Sales		261,685	45,026
		<hr/>	<hr/>
GROSS PROFIT		105,732	81,794
Distribution costs and Administrative expenses		(395,839)	(464,676)
Interest payable and similar charges		(10,101)	(6,730)
Other interest receivable and similar charges		109,405	1,581
		<hr/>	<hr/>
(Loss) Profit on ordinary activities before taxation and exceptional items	2	(190,803)	(388,031)
Tax on (Loss)/profit on ordinary activities	3	46,330	-
		<hr/>	<hr/>
(Loss)/profit for the financial year	11	£(144,053)	£(388,031)
		<hr/>	<hr/>

P K ELECTRONIC INTERNATIONAL LIMITED

BALANCE SHEET

as at 31st December 1992

	<u>Notes</u>	<u>1991</u>	<u>1992</u>
<u>IMMENSIBLE FIXED ASSETS</u>	4	37,930	31,839
<u>CURRENT ASSETS</u>			
Stocks		35,000	30,000
Debtors	5	296,364	64,940
Cash at Bank and in Hand		107,421	14
		<hr/>	<hr/>
		438,735	94,954
CREDITORS: amounts falling due within one year	6	(142,003)	181,112
		<hr/>	<hr/>
Net Current (Liabilities) /Assets		295,782	(86,158)
		<hr/>	<hr/>
Total Assets less Current Liabilities		333,712	(54,319)
CREDITORS: amounts falling due after more than one year	7	(370,450)	(370,450)
		<hr/>	<hr/>
Net Liabilities		£(36,738)	£(424,769)
		<hr/>	<hr/>
<u>CAPITAL AND RESERVES</u>			
Called-up Share Capital	9	100	100
Profit and Loss Account	10	(36,838)	(424,869)
		<hr/>	<hr/>
		£(36,738)	£(424,769)
		<hr/>	<hr/>

The financial statements on pages 3 to 8 were approved by the Board on 22/10/93

D. Myer }
Directors

A. Nelson

P K ELECTRONIC INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st December 1992

1. ACCOUNTING POLICIES

(a) Accounting convention

The financial statements have been prepared under the historical cost convention, on a going concern basis.

(b) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost. Depreciation is charged on the reducing instalment basis:

Office equipment	-	15%
Office furniture	-	15%
Motor vehicles	-	25%

(c) Stock

Stock is valued at the lower of cost and net realisable value.

(d) Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the balance sheet date. Transactions in foreign currencies are translated at the rate ruling at the transaction date. All differences are taken to the profit and loss account.

(e) Compliance with accounting standards

The financial statements have been prepared in accordance with applicable accounting standards.

2. PROFIT ON ORDINARY ACTIVITIES
BEFORE TAXATION AND EXCEPTIONAL ITEMS
is stated after charging:

	<u>1991</u>	<u>1992</u>
	<u>£</u>	<u>£</u>
Depreciation	7,751	6,415
Auditors' Remuneration	3,500	2,500
Directors' Remuneration	29,864	26,440
Losses on Exchange	6,000	-
	<u> </u>	<u> </u>

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

UK Corporation Tax	£(46,700)	£ -
	<u> </u>	<u> </u>

P K ELECTRONIC INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st December 1992 (continued)

4.	<u>TANGIBLE FIXED ASSETS</u>	<u>Office furniture</u>	<u>Office equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
	Cost				
	1 January 1992	28,411	33,745	11,994	74,150
	Additions	324	-	-	324
		<hr/>			
	31 December 1992	28,735	33,745	11,994	74,474
		<hr/>			
	Depreciation				
	1 January 1992	6,342	24,631	5,247	36,220
	Charge for the year	3,360	1,368	1,687	6,415
		<hr/>			
	31 December 1992	9,702	25,999	6,934	42,635
		<hr/>			
	Net book value				
	31 December 1992	19,033	7,746	5,060	31,839
		<hr/>			
	31 December 1991	22,069	9,114	6,747	37,930
		<hr/>			
5.	<u>Debtors</u>			<u>1991</u>	<u>1992</u>
	Trade Debtors			155	10,843
	Amounts owed by Group Companies			56,810	29,875
	Amounts owed by Related Companies			208,646	-
	Other Debtors			21,489	16,685
	Prepayments and Accrued Income			9,264	7,537
				<hr/>	<hr/>
				£296,364	£64,940
				<hr/>	<hr/>
6.	<u>CREDITORS: amounts falling due within one year</u>				
	Bank Loans and Overdrafts				59,740
	Trade Creditors			72,280	9,178
	Other Creditors including Taxation and Social Security			19,340	27,194
	Amounts owed to Group Companies			51,380	-
				<hr/>	<hr/>
				£143,000	£101,112
				<hr/>	<hr/>

P K ELECTRONIC INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st December 1992 (continued,

7. CREDITORS: Amounts falling due after more than one year
- | | <u>1991</u> | <u>1992</u> |
|--------------------------------------|-----------------|-----------------|
| Amounts owing to the Holding Company | <u>£370,450</u> | <u>£370,450</u> |
8. INFORMATION REGARDING DIRECTORS
- The remuneration paid to the company directors who held office during the year amounted to:
- | | | |
|--|--|----------------|
| Remuneration as executives (managing director) | | <u>26,440</u> |
| | | <u>£26,440</u> |
9. SHARE CAPITAL
- | | | |
|--|-------------|-------------|
| Authorized, allotted, issued and fully paid Ordinary shares of £1 each | <u>£100</u> | <u>£100</u> |
|--|-------------|-------------|
10. PROFIT AND LOSS ACCOUNT
- | | | |
|----------------------------------|--|-----------------|
| Deficit at 1 January 1992 | | 36,838 |
| Loss for the year after taxation | | 388,031 |
| | | <u>424,869</u> |
| Balance at 31 December 1992 | | <u>£424,869</u> |
11. EMPLOYEES
- The average number of persons employed during the year was 2.
- Their total remuneration (excluding directors) was:
- | | | |
|-----------------------|--|---------------|
| Salaries paid | | 37,847 |
| Social Security Costs | | 7,060 |
| | | <u>44,907</u> |
12. ULTIMATE PARENT COMPANY
- MIL Electronic Company Establishment, incorporated in Liechtenstein, is regarded by the Directors as being the company's ultimate parent company.