



# Acquisition & Merger Specialists

## **Project: Phrontis EBD 1168**

CCTV business located South London

Our Service to our clients

Marketing  
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*Established 1989*

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# Project: Phrontis EBD 1168

## Accounts 1998 – 2002

**19<sup>th</sup> April 2004**

Mr Terry King  
European Business Development  
Princes Road  
Weybridge  
Surrey KT13 9BN

Dear Mr King

Further to our telephone conversation I have pleasure in enclosing the relevant information with regards to the possible acquisition by your client of our company.

The company has been trading for seven and a half years and there are currently two partners, two installation engineers and one office staff. One partner is office based and carries out sales enquiries for the company; the other oversees the installation engineers and carries out all routine service and maintenance calls.

We have a varied client base including;

- Six NHS Primary Care Trusts.
- A government funded charity with branches all over the country.
- Various Building Developers with regular contracts.

### **Sales Figures April 2003 – March 2004**

Requested sales/service/maintenance figure for 1<sup>st</sup> April 2003 – 31<sup>st</sup> March 2004.

Intruder Sales	£65,200
CCTV Sales	£92,000
Access Control	£21,000
Service Revenue	£13,200
Maintenance	£19,000
Monitoring	£20,300
<b>Total</b>	<b><u>£230,700</u></b>

## Maintenance Agreements

Currently **390 systems** under valid maintenance agreements together with an additional **150 installations** that are without maintenance.

Break down of valid contracts are as follows

Bells only	Domestic	185
	Commercial	24
Digital Communicators	Domestic	42
	Commercial	38
Red Care	Domestic	4
	Commercial	23
Dual Comm	Commercial	35
CCTV	Commercial	34
Access Control	Commercial	5
<b>Total</b>		<b><u>300</u></b>

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### 10<sup>th</sup> January 2001

Further to our telephone conversation this morning regarding the possible sale of our Maintenance Contracts, I hereby enclose the relevant information you require.

We are a small installer of Intruder Alarms, CCTV and Access Control and are based in Charlton SE London. We currently have 150 Systems under valid Maintenance Contracts that is broken down as follows-.

Bells Only -	96 paying	£50.00+VAT per annum.
Digital Communicator -	25 paying	£65/P85 + VAT p.a.£65 Monitoring p.a.
Red Care -	23 paying	£65/E85 + VAT p.a.£250 Monitoring p.a.
CCTV -	4 paying	£50.00 + VAT p.a. standard maintenance.

The vast majority of our Bells Only Systems are Domestic with 95% of our Remote Signallings being Commercial. We are currently using two Central Stations, Custodian and Yeoman.

All Contract Customers sign an Agreement annually when returning their payment and I have enclosed a copy for your records. We have a Customer base of over two hundred, which includes Construction Companies, Foreign Bank, Quaker Oats and a Health Authority.

## **Project: Phrontis EBD 1168**

### **Balance Sheet**

**As at 30th September 2002**

	<b>2002</b>	<b>2001</b>
	Notes	
<b>FIXED ASSETS</b>		
Motor vehicles	0	6,300
Equipment	2,574	3,028
Office Equipment	1,702	1,245
	4,276	10,573
<b>CURRENT ASSETS</b>		
Debtors and prepayment	9,832	7,359
Stock	3,000	2,500
	12,832	9,859
<b>CURRENT LIABILITIES</b>		
Creditors and accruals	19,226	11,459
Bank overdraft	5,977	5,270
Bank loan	17,143	20,000
Hire purchase account	0	5,226
	42,346	41,955
<b>NET CURRENT LIABILITIES</b>	-29,514	-32,096
	-£25,238	-21,523
Representing:		
<b>CAPITAL ACCOUNTS</b>		
	-14,126	-12,269
	-11,112	-9,254
	<b>-£25,238</b>	<b>-£21,523</b>

**Profit and Loss Account**  
**For the year ended 30th September 2002**

	<b>2002</b>	<b>2001</b>
Notes		
<b>Work done</b>	£170,828	£156,415
Less:		
Materials	71,079	47,815
Wages	7,895	9,328
Subcontractors	100	750
	79,074	57,893
<b>Gross profit</b>	91,754	98,522
Less:		
Rent and rates	7,095	1,900
Light and heat	416	107
Motor expenses	6,582	7,085
Travelling and subsistence	998	617
Lease of van	8,622	3,723
Telephone and mobile phones	3,128	2,649
Protective clothing	205	0
Advertising	363	288
Hire purchase interest	416	998
Insurance	1,189	831
Trade associations and Subscriptions	940	777
Postage and stationery	2,443	2,177
Bank charges	976	1,663
Bank loan interest	1,188	4,085
Secretarial and bookkeeping	4,415	4,084
Accountancy	850	900
Entertaining	824	1,610
Bad debt	7,741	0
Sundries	348	208
Depreciation	1,946	3,048
Loss on sale	1,944	0
	43,887	40,863
<b>Net profit for the year</b>	£47,867	£57,657

**For the year ended 30th September 2002**

**Notes to the Accounts**

<b>1. FIXED ASSETS</b>	Motor Vehicles	Equipment	Office Equipment
<b>COST</b>			
Balance at 1. 10.01	9,600	6,206	2,272
Additions			
Disposals	-9,600		
Balance at 30.9.02	0	6,206	3,221
<b>DEPRECIATION</b>			
Balance at 1.10.01	3,300	3,178	1,027
Disposal	-3,300		
Charge for the year		454	492
Balance at 30.9.02	0	3,632	1,519
<b>NET BOOK VALUE.</b>			
At – 30.9.02	0	2,574	1,702
<b>2. CAPITAL ACCOUNTS</b>			
Balance at 1.10.01		-12,269	-9,254
Profit for the Year		23,934	23,933
		11,665	14,679
Drawings		25,791	25,791
Balance at 30.9.02		-14,126	-11,112

## **Project: Phrontis EBD 1168**

### **Balance Sheet**

**As at 30th September 1998**

	<b>1999</b>	<b>1998</b>
	Notes	
<b>FIXED ASSETS</b>		
Motor vehicles	5,910	7,880
Equipment	3,220	3,785
Office Equipment	850	1,000
	9,980	12,665
<b>CURRENT ASSETS</b>		
Debtors and prepayment	23,185	17,125
Stock	2,000	1,200
	25,185	18,325
<b>CURRENT LIABILITIES</b>		
Creditors and accruals	20,553	6,1569
Bank overdraft	18,758	4,929
Bank loan	5,710	7,141
Hire purchase account	5,808	7,412
	50,829	26,051
<b>NET CURRENT LIABILITIES</b>	-25,644	-7,726
	-£15,664	£4,939
 Representing:		
<b>CAPITAL, ACCOUNTS</b>		
	-9,470	976
	-6,194	3,963
	-£ 15,664	£4,939

**Profit and Loss Account**  
**For the year ended 30th September 1999**

	Notes	1999	1998
<b>Work done</b>		£212,285	£125,936
Less:			
Materials		45,009	16,327
Wages		76,222	26,884
Subcontractors		2,415	245
Tools and hire		0	456
		123,646	43,912
<b>Gross profit</b>		88,639	82,024
Less:			
Rent and rates		4,878	4,147
Light and heat		255	234
Motor expenses		10,341	4,738
Travelling and parking		58	3,007
Lease of van		6.91	3,723
Telephone and mobile phones		4,187	3,525
Advertising		935	1,341
Hire purchase interest		1,708	1,043
Insurance		1,292	345
Trade associations and Subscriptions		1,250	240
Postage and stationery		1,326	766
Debt collection		225	0
Bank charges		1,704	510
Bank loan interest		0	79
Secretarial and bookkeeping		2,393	3,120
Accountancy		800	800
Entertaining		126	519
Bad debt		7,741	0
Sundries		163	94
Depreciation		2,685	2,614
Loss on sale		0	260
		49,180	31,105
<b>Net profit for the year</b>		£39,459	£50,919



**For the year ended 30th September 1999**

<b>1. FIXED ASSETS</b>	Motor Vehicles	Equipment	Office Equipment
<b>COST</b>			
Balance at 1. 10.98	9,695	5,235	1,134
Additions			
Disposals			
Balance at 0.9.99	9,695	5,235	1,134
<b>DEPRECIATION</b>			
Balance at 1.10.98	1,815	1,450	134
Disposal			
Charge for the year	1,970	565	150
Balance at 30.9.99	3,785	2,015	294
<b>NET BOOK VALUE.</b>			
At – 30.9.99	5,910	3,220	850
<b>2. CAPITAL ACCOUNTS</b>			
Balance at 1.10.98		976	3,963
Profit for the Year		19,730	19,729
		20,706	23,692
Drawings		30,176	29,886
Balance at 30.9.99		-9,470	-6,194