

## Overview

- Pre-tax profits up 219% to £211,437 on turnover of £4,528,045 up 52%
- Strong cash position of £667,787 at bank
- Net current assets up 202% to £1,298,846
- Continued growth both organic and through strategic acquisitions
- First Response Security Services acquired on 20 June, anticipated to add another £1.4 million per annum to the Group's turnover

"These are good results for us. Our business model of organic growth and strategic acquisitions has continued to produce increased profits, turnover and assets. We have made four acquisitions this year, which, through improved economies of scale and enhanced efficiencies, are contributing significantly to our success. Emphasising our achievements, analyst Plimsoll Publishing Ltd recently ranked us the 24th largest and 8th most profitable manned security company in the UK."



David Marks  
Chief Executive



**Head office**  
SectorGuard plc  
Gainsborough House  
Sheering Lower Road  
Sawbridgeworth  
Herts CM21 9RG

Tel: 01279 724777  
Fax: 01279 722899  
Email: [enquiries@sectorguard.plc.uk](mailto:enquiries@sectorguard.plc.uk)

**World wide web**  
For further information on SectorGuard  
please access our web site address:

[www.sectorguard.plc.uk](http://www.sectorguard.plc.uk)



**SectorGuard**

INTERIM REPORT 2003

SectorGuard plc  
(formerly known as SectorGuard Limited)

## Chairman's Statement

I am pleased to announce our results for the six months ended 31 March 2003, which show pre-tax profits up 219% to £211,437 (2001: £66,189), turnover up 52% to £4,528,045 (2001: £2,984,826) and net current assets up 202% to £1,298,846 (2001: £429,867). At the end of the period we had a strong cash position of £667,787 at bank.

The current year has begun well with the figures reflecting the progress we have achieved. In line with our business model we continue to expand the Group both organically and through acquisition to become a major provider of manned security solutions in a traditionally fragmented market.

We now have an extensive client base of local authorities, large corporations and landmark sites, which have enabled us to establish a reputation of providing high quality, manned guarding solutions at cost effective levels. This success has been reflected in a recent survey by financial analyst Plimsoll Publishing Ltd, which placed SectorGuard 24th in size and 8th in profitability in an analysis of the top 50 UK manned guarding businesses.

We are constantly looking for new business opportunities. In line with this strategy, we have acquired four businesses in the past six months, reinforcing our position as a leading service supplier in London and the Home Counties and giving us further presence outside our core geographic area. Three of the acquisitions will impact the business in the second half of the year.

Our most recent acquisition, First Response Security Services, added an additional £1.4 million annually to our turnover. It also provides further critical mass in the London market and builds up our growing presence in the Midlands.

During the first half of the year we raised in excess of £1.25 million through the placing of new ordinary shares with institutional and other investors. This has provided working capital as well as the funds with which to take advantage of acquisition opportunities as they arise.

We believe that to retain a high quality of service delivery, it is important to invest in our employees. We operate an intensive training system for all our staff and also offer all employees the opportunity to participate in a company share option scheme.

The second half is showing progressively healthy business volumes, so we look forward to the future with confidence. We believe the strength of our service offering coupled with the financial stability we enjoy will stand us in good stead and hope to report further progress in our year-end statement.



**Peter Gorty**  
Chairman

26 June 2003

## Profit and Loss Account

For the six months ended 31 March 2003

	Six months ended 31 March 2003 (Unaudited) £	Six months ended 31 March 2002 (Unaudited) £	Year ended 30 September 2002 (Audited) £
<b>Turnover</b>	<b>4,528,045</b>	2,984,826	7,373,705
Cost of sales	<b>(3,590,447)</b>	(2,471,271)	(5,840,495)
<b>Gross profit</b>	<b>937,598</b>	513,555	1,533,210
Administrative expenses	<b>(681,323)</b>	(402,520)	(938,690)
<b>Operating profit</b>	<b>256,275</b>	111,035	594,520
Interest receivable and similar income	<b>416</b>	7,542	1,529
Interest payable and similar charges	<b>(45,254)</b>	(52,388)	(94,018)
<b>Profit on ordinary activities before taxation</b>	<b>211,437</b>	66,189	502,031
Tax on profit on ordinary activities	<b>(63,431)</b>	(19,857)	(163,169)
<b>Retained profit for the period</b>	<b>148,006</b>	46,332	338,862

## Balance Sheet

As at 31 March 2003

	Unaudited as at 31 March 2003 £	Unaudited as at 31 March 2002 £	Audited as at 30 September 2002 £
<b>Fixed Assets</b>			
Intangible assets	<b>2,909,461</b>	1,356,928	2,549,969
Tangible assets	<b>173,569</b>	181,265	178,504
	<b>3,083,030</b>	1,538,193	2,728,473
<b>Current assets</b>			
Debtors	<b>2,548,205</b>	1,210,079	2,198,462
Cash at bank and in hand	<b>667,787</b>	292,162	241,096
	<b>3,215,992</b>	1,502,241	2,439,558
Creditors: amounts falling due within one year	<b>(1,917,146)</b>	(1,072,374)	(1,867,696)
<b>Net current assets/(liabilities)</b>	<b>1,298,846</b>	429,867	571,862
<b>Total assets less current liabilities</b>	<b>4,381,876</b>	1,968,060	3,300,335
Creditors: amounts falling due after more than one year	<b>(505,111)</b>	(587,418)	(451,108)
Provisions for liabilities and charges	<b>(516,630)</b>	(6,750)	(548,135)
<b>Net Assets</b>	<b>3,360,135</b>	1,373,892	2,301,092
<b>Capital and reserves</b>			
Called up share capital	<b>797,000</b>	155,000	562,000
Share premium account	<b>1,861,223</b>	957,516	1,185,186
Profit and loss account	<b>701,912</b>	261,376	553,906
<b>Shareholders' funds</b>	<b>3,360,135</b>	1,373,892	2,301,092

## Notes

### 1. Financial Information

The interim results for the six months ended 31 March 2003 and six months ended 31 March 2002 are un-audited and do not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. They have been drawn up using accounting policies and principles consistent with those applied in the preparation of the audited accounts for the year ended 30 September 2002. The comparative information contained in the report for the year ended 30 September 2002 does not constitute the statutory accounts for that financial period. Those accounts have been reported on by the Company's Auditors, Nexia Audit Limited, and delivered to the Registrar of Companies.

The report of the auditors was unqualified.

### 2. Taxation

The tax charge for the period is based on the anticipated effective tax rate for the year to 30 September 2003.

### 3. Interim Report

Copies of this interim report are being sent to all shareholders and will be available to the public from the Company's Head Office, Gainsborough House, Sheering Lower Road, Sawbridgeworth, Herts, CM21 9RG.