

SECURICOR CIT LIMITED
FINANCIAL STATEMENTS
30 SEPTEMBER 2000



Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

DIRECTORS AND OFFICERS

DIRECTORS

A K Niven
D G Cowden

SECRETARY

A P Munson

REGISTERED OFFICE

Sutton Park House
15 Carshalton Road
Sutton
Surrey SM1 4LD

AUDITORS

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

DIRECTORS' REPORT

The directors submit their report and the financial statements of Securicor CIT Limited for the year ended 30 September 2000.

PRINCIPAL ACTIVITIES

The principal activity of the company is the provision of employment services.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The directors regard the results as satisfactory and expect future results to be of a similar nature.

RESULTS AND DIVIDENDS

The directors do not recommend a payment of a dividend.

DIRECTORS

The following directors have held office since 1 October 1999:

| | |
|-------------|-----------------------------|
| D G Cowden | (resigned 1 December 2000) |
| T L Dighton | (appointed 8 December 2000) |
| A K Niven | |

DIRECTORS' SHARE OPTIONS

No director, who is not also a holding company director, had any interest in the share capital of the company or its ultimate parent company, Securicor plc, other than stated below.

1. Over shares of Securicor (1996) plc

| | Option | At 30.9.99 | Option Price | Exercised Date | Exercised Number | Market value at exercise | Gain before tax |
|------------|--------|------------|--------------|-------------------------|------------------|--------------------------|-----------------|
| D G Cowden | A | 57,140 | 245p | 8.11.99 | 12,240 | 614p | 45,166 |
| | | | | 9.11.99 | 44,900 | 612p | 164,783 |
| | B | 27,250 | 280p | 9.11.99 | 27,250 | 612p | 90,470 |
| | C | 21,000 | 441.5p | 9.11.99 | 21,000 | 612p | 35,805 |
| | E | 4,974 | 196p | 1.10.99 | 4,974 | 591p | 19,647 |
| A K Niven | B | 10,000 | 280p | Rolled Over (see below) | | | |
| | C | 6,790 | 441.5p | Rolled Over (see below) | | | |
| | G | 2,754 | 354p | Rolled Over (see below) | | | |

Option A - Executive Share Option Scheme, normally exercisable between June 1999 and June 2006.

Option B - Executive Share Option Scheme, normally exercisable between June 2000 and June 2007.

Option C - Executive Share Option Scheme, normally exercisable between June 2001 and June 2008.

Option D - Sharesave Scheme, exercisable between October 1999 and March 2000.

Option G - Sharesave Scheme, exercisable between October 2001 and March 2002.

DIRECTORS' REPORT**DIRECTORS' SHARE OPTIONS (continued)****1. Over shares of Securicor (1996) plc (continued)**

Mr Niven rolled over options B,C and G above as follows:

- Option B - converted into an option over 40,887 shares in Securicor plc at 68.48p per share.
- Option C - converted into an option over 27,761 shares in Securicor plc at 107.98p per share.
- Option G - converted into an option over 11,260 shares in Securicor plc at 86.58p per share.

Save for those rolled over, all the above options were exercised between 1 October 1999 and 9 November 1999. The total gain from share options made by the directors under the Scheme of Arrangement relating to the disposal of the group's interest in BT Cellnet and from the maturity of the 1996 Sharesave issue is shown above.

The market price of the ordinary shares at 30 September 2000 was 140p. Due to the Scheme of Arrangement in November 1999 there is no equivalent price for 30 September 1999. The market price of the ordinary shares at 11 November 1999 (their first day of listing) was 149.375p.

The highest and lowest market prices of an ordinary share during the period 11 November 1999 to 30 September 2000 were 189.0p and 116.75p respectively.

2. Over shares of Securicor plc

| | Option | Option price | At 11.11.99 | Granted during year | Outstanding at 30.09.00 |
|------------|--------|--------------|-------------|---------------------|-------------------------|
| D G Cowden | E | 107p | - | 9,053 | 9,053 |
| A K Niven | A | 68.48p | 40,887 | - | 40,887 |
| | B | 107.98p | 27,761 | - | 27,761 |
| | C | 164p | - | 60,000 | 60,000 |
| | D | 133.75p | - | 40,000 | 40,000 |
| | I | 86.58p | 11,260 | - | 11,260 |

Option A - Executive Share Option Scheme, normally exercisable between June 2000 and June 2007.

Option B - Executive Share Option Scheme, normally exercisable between June 2001 and June 2008.

Option C - Executive Share Option Scheme, normally exercisable between December 2002 and December 2009.

Option D - Executive Share Option Scheme, normally exercisable between June 2003 and June 2010.

Option E - Sharesave Scheme, normally exercisable between October 2003 and March 2004.

Option I - Sharesave Scheme, exercisable between October 2001 and March 2002.

Further details in respect of Share Option Schemes are disclosed in the financial statements of the ultimate holding company.

DIRECTORS' REPORT

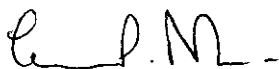
DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

| | At 30.9.00 | At 11.11.99 | At 30.09.00 (Shares in Securicor (1996) plc) |
|------------|------------|-------------|--|
| A K Niven | - | - | - |
| D G Cowden | 110,484 | 110,484 | - |

AUDITORS

In accordance with Section 386, Companies Act 1985, the company has elected to dispense with the obligation to appoint auditors annually. Accordingly, Baker Tilly, Chartered Accountants, are deemed to be re-appointed for the succeeding financial year.

By order of the board



A P Munson
Secretary

8 December 2000

**DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF
FINANCIAL STATEMENTS**

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. 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 requirements of 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.

AUDITORS' REPORT TO THE MEMBERS OF SECURICOR CIT LIMITED

We have audited the financial statements on pages 7 to 11.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 5, 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 judgements 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 and performed 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 30 September 2000, and of its result for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

BAKER TILLY
Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

8 December 2000

PROFIT AND LOSS ACCOUNT
for the year ended 30 September 2000

| | Notes | 2000 £'000 | 1999 £'000 |
|--|-------|---------------|---------------|
| TURNOVER | 1 | 43,724 | 35,678 |
| Cost of sales | | (43,724) | (35,678) |
| GROSS PROFIT | | - | - |
| Other operating expenses (net) | | - | - |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | - | - |
| Taxation | 3 | - | - |
| RETAINED PROFIT FOR THE YEAR | 7 | - | - |

The result for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

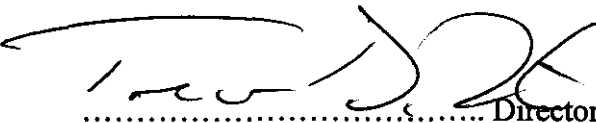
No separate reconciliation of movements in shareholders' funds is presented as the only movement is dealt with through the profit and loss account.

The results stated above represent the company's historic cost result for the year.

BALANCE SHEET
30 September 2000

| | Notes | 2000 £'000 | 1999 £'000 |
|-------------------------------------|-------|---------------|---------------|
| CURRENT ASSETS | | | |
| Debtors | 4 | 1,297 | 978 |
| Cash at bank and in hand | | - | 31 |
| | | <u>1,297</u> | <u>1,009</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 5 | 1,259 | 971 |
| | | <u>38</u> | <u>38</u> |
| NET CURRENT ASSETS | | | |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 6 | 44 | 44 |
| Profit and loss account | 7 | (6) | (6) |
| | | <u>38</u> | <u>38</u> |

Approved by the board on 8 December 2000.


 Director

Financial statements for the year ended 30 September 2000**ACCOUNTING POLICIES**

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards.

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax of goods sold and services provided to customers.

PENSION CONTRIBUTIONS

The company is included in the group defined benefit pension schemes.

The costs of providing pensions for employees are charged to the profit and loss account over the average working life of employees in accordance with the recommendations of qualified actuaries. Any funding surplus or deficit which may arise from time to time is amortised over the remaining average working life of employees.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2000

1. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit before taxation were all derived from its principal activity and all sales were made in the United Kingdom.

| 3. EMPLOYEES | 2000 No. | 1999 No. |
|---|-----------------------|-----------------------|
| The average weekly number of persons (including directors) employed by the company during the year was: | | |
| Office and management | - | - |
| Operational | 2,913 | 2,421 |
| | <u>2,913</u> | <u>2,421</u> |
| | 2000 £'000 | 1999 £'000 |
| Staff costs for the above persons: | | |
| Wages and salaries | 39,854 | 32,477 |
| Social security costs | 3,337 | 2,842 |
| Pension costs | 533 | 343 |
| | <u>£ 43,724</u> | <u>£ 35,662</u> |

The directors received no emoluments during the year (1999: £Nil).

PENSIONS

The company's share of the costs of the Group's defined benefit pension scheme amounted to £533,000 (1999: £343,000).

The pension costs are assessed on the advice of independent qualified actuaries using the projected unit credit method. The most recent actuarial valuation was dated 5 April 2000. The assets of the scheme are held in separate trustee administered funds.

Full particulars of the pension scheme are disclosed in the published accounts of Securicor plc.

| 3. TAXATION | 2000 £'000 | 1999 £'000 |
|-----------------------------------|-----------------------|-----------------------|
| Based on the result for the year: | | |
| UK Corporation tax | - | - |
| | <u>-</u> | <u>-</u> |

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2000

| | | |
|--|--------------|--------------|
| 4. DEBTORS | 2000 | 1999 |
| | £'000 | £'000 |
| Due within one year: | | |
| Amounts owed by group undertakings | 558 | 174 |
| Other debtors | 739 | 804 |
| | <u>1,297</u> | <u>978</u> |
| | ===== | ===== |
| 5. CREDITORS | 2000 | 1999 |
| | £'000 | £'000 |
| Amounts falling due within one year: | | |
| Bank Overdraft | 89 | - |
| Other taxation and social security costs | 1,170 | 971 |
| | <u>1,259</u> | <u>971</u> |
| | ===== | ===== |
| 6. SHARE CAPITAL | 2000 | 1999 |
| | £'000 | £'000 |
| Authorised: | | |
| 100,000 ordinary shares of £1 each | 100 | 100 |
| | ===== | ===== |
| Allotted, issued and fully paid: | | |
| 44,240 ordinary shares of £1 each | 44 | 44 |
| | ===== | ===== |
| 7. PROFIT AND LOSS ACCOUNT | 2000 | 1999 |
| | £'000 | £'000 |
| 1 October 1999 | (6) | (6) |
| Retained profit for the year | - | - |
| | <u>(6)</u> | <u>(6)</u> |
| | ===== | ===== |

8. ULTIMATE PARENT UNDERTAKING

At 30 September 2000 the ultimate holding company of Securicor CIT Limited was Securicor plc which is registered in England and Wales. Copies of the group accounts of Securicor plc can be obtained from Sutton Park House, 15 Carshalton Road, Sutton Surrey SM1 4LD.

9. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS8 that transactions do not need to be disclosed with companies 90% or more of whose voting rights are controlled within the group.