

Securicor Distribution Services Limited

FINANCIAL STATEMENTS

for the year ended

30 September 1999



Securicor Distribution Services Limited

DIRECTORS AND OFFICERS

DIRECTORS

RSWH Wiggs
CC Shirtcliffe
PD Howes
R Casling

SECRETARY

AP Munson

COMPANY NUMBER

01388496 (England and Wales)

REGISTERED OFFICE

Sutton Park House
15 Carshalton Road
Sutton
Surrey SM1 4LD

AUDITORS

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

Securicor Distribution Services Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Securicor Distribution Services Limited for the year ended 30 September 1999.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of an investment holding company. On 31 March 1999 the company disposed of its investments in subsidiary companies to Securicor Omega Holdings Limited, a company under the joint control of Securicor plc and Deutsche Post AG.

DIVIDENDS

The directors recommend a final dividend on the ordinary shares of £1.3m per share (amounting to £130m), making a total dividend for the year of £1.6m per share (£162m).

DIRECTORS

The following directors have held office during the year:

RSWH Wiggs
CC Shirtcliffe
PD Howes
R Casling

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

Apart from options over ordinary shares in Securicor (1996) plc, no director, who is not a holding company director, had any interest in the share capital of the company or of its parent undertaking, Securicor (1996) plc.

YEAR 2000

The company has completed a comprehensive Year 2000 compliance programme and to date no significant problems have arisen.

INTRODUCTION OF THE EURO

All relevant parts of the company will be able to handle euro transactions when required.

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 reappointed for succeeding financial years.

By order of the board



AP Munson
Secretary

10 January 2000

Securicor Distribution Services Limited

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 DISTRIBUTION SERVICES LIMITED

We have audited the financial statements on pages 5 to 10.

Respective responsibilities of directors and auditors

As described on page 3 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.

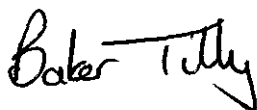
Basis of opinion

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 1999 and of its loss 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

10 January 2000

Securicor Distribution Services Limited
PROFIT AND LOSS ACCOUNT
for the year ended 30 September 1999

	<i>Notes</i>	1999 £'000	1998 £'000
Investment income	1	191	20,000
Administration expenses		-	(16)
Interest payable	2	(3,864)	(7,630)
Interest receivable	3	2,079	4,712
OPERATING (LOSS)/PROFIT	4	(1,594)	17,066
EXCEPTIONAL ITEM			
Profit on disposal of fixed asset investment	4	134,286	2,586
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		132,692	19,652
Taxation	6	(42)	108
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		132,650	19,760
Dividends		(162,267)	-
RETAINED (LOSS)/PROFIT FOR THE YEAR	12	(29,617)	19,760

The loss 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.

The loss for the year represents the company's historical cost loss.

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

Securicor Distribution Services Limited

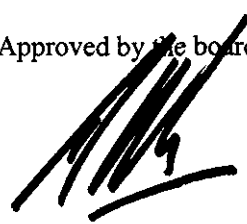
BALANCE SHEET

30 September 1999

	Notes	1999 £'000	1998 £'000
FIXED ASSETS			
Investments	7	-	47,226
CURRENT ASSETS			
Debtors	8	18,821	131,799
CREDITORS: Amounts falling due within one year	9	15,139	99,673
NET CURRENT ASSETS		<u>3,682</u>	<u>32,126</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,682	79,352
CREDITORS: Amounts falling due after more than one year	10	-	46,053
		<u>3,682</u>	<u>33,299</u>
CAPITAL AND RESERVES			
Called up share capital	11	-	-
Profit and loss account	12	3,682	33,299
		<u>3,682</u>	<u>33,299</u>

Total debtors includes £18,628,000 (1998: £34,750,000) due after more than one year.

Approved by the board on 10 January 2000



Director

Securicor Distribution Services Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

CASHFLOW STATEMENT

The company is exempt from the requirements to present a cash flow statement by virtue of the fact that it is a subsidiary of a group which prepares its own cash flow statement.

FOREIGN CURRENCIES

All foreign exchange differences are taken to the profit and loss account in the period in which they arise.

Securicor Distribution Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 1999

	1999 £'000	1998 £'000
1 INVESTMENT INCOME		
Income from fixed asset investments:		
Subsidiary undertakings	191	20,000
	<hr/>	<hr/>
2 INTEREST PAYABLE	1999 £'000	1998 £'000
On bank loans, overdrafts and other loans repayable within five years:		
Bank loans and overdrafts	316	32
Other - intra group	3,548	7,598
	<hr/>	<hr/>
	3,864	7,630
	<hr/>	<hr/>
3 INTEREST RECEIVABLE	1999 £'000	1998 £'000
Other - intra group	2,079	4,712
	<hr/>	<hr/>
4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1999 £'000	1998 £'000
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Auditors' remuneration	2	4
Exchange loss	-	2
Exceptional item	(134,286)	(2,586)
	<hr/>	<hr/>
The exceptional item relates to the profit upon the disposal of the company's fixed asset investments on 29 March 1999.		
5 EMPLOYEES	1999 No.	1998 No.
The average weekly number of persons (including directors) employed by the company during the year was:		
Office and management	4	4
	<hr/>	<hr/>

The directors were the sole employees of the company and received no remuneration during the year.

Securicor Distribution Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 1999

6	TAXATION	1999 £'000	1998 £'000
	Based on the result for the year:		
	UK corporation tax	42	(108)
7	FIXED ASSET INVESTMENTS		Shares in group undertakings £'000
	Cost and net book value:		
	1 October 1998		47,226
	Disposals		(47,226)
			-
8	DEBTORS	1999 £'000	1998 £'000
	Due within one year:		
	Amount owed by group undertakings	-	76,941
	Dividends receivable	-	20,000
	Other debtors	127	-
	Corporation tax	66	108
		193	97,049
	Due in more than one year:		
	Amount owed by group undertakings	18,628	34,750
9	CREDITORS: Amounts falling due within one year	1999 £'000	1998 £'000
	Bank overdraft	8,400	1,332
	Amount owed to group undertakings	6,694	98,282
	Other creditors	-	14
	Accruals and deferred income	45	45
		15,139	99,673

Securicor Distribution Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 1999

	1999 £'000	1998 £'000
10 CREDITORS: Amounts falling due in more than one year		
Amount owed to group undertakings	-	46,053
11 SHARE CAPITAL	1999 £	1998 £
Authorised:		
100,000 ordinary shares of £1 each	100,000	100,000
Allotted, issued and fully paid:		
100 ordinary shares of £1 each	100	100
12 PROFIT AND LOSS ACCOUNT	1999 £'000	1998 £'000
1 October 1998	33,299	13,539
(Loss)/profit for the financial year	(29,617)	19,760
30 September 1999	3,682	33,299
13 ULTIMATE HOLDING COMPANY		
At 30 September 1999 the ultimate holding company was Securicor (1996) plc which is registered in England and Wales. Copies of the group accounts of Securicor (1996) plc can be obtained from Sutton Park House, 15 Carshalton Road, Sutton, Surrey SM1 4LD.		
Under the Scheme of Arrangement completed in November 1999 the Securicor Group was reconstructed and the ultimate holding company became Securicor plc which is registered in England and Wales.		
14 CONTINGENT LIABILITIES		
The company has unlimited cross guarantees with Securicor Omega Express Limited, Omega Logistics Limited and Securicor Omega Container Logistics Limited.		
15 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.		