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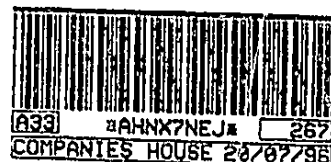
SECURICOR DISTRIBUTION SERVICES LIMITED
(formerly Securicor Parcels Limited)

FINANCIAL STATEMENTS

30 SEPTEMBER 1995

Company No. 01388496

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST



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(formerly Securicor Parcels Limited)

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DIRECTORS AND OFFICERS

DIRECTORS

RSWH Wiggs
PD Howes
R Andrews
RJR Benson
RK Davies
BJ Wilson
WL Denton
R Casling
D Norton
PN Whitlock

SECRETARY

Mrs AP Munson

REGISTERED OFFICE

Sutton Park House
15 Carshalton Road
Sutton
Surrey SM1 4LD

AUDITORS

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

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DIRECTORS' REPORT

The directors submit their report and the financial statements of Securicor Distribution Services Limited for the year ended 30 September 1995.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was that of an investment holding company.

CHANGE OF NAME

On 12 June 1995 the company changed its name from Securicor Parcels Limited to Securicor Distribution Services Limited.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The directors consider that the company's state of affairs is satisfactory and that future results will be of a similar nature.

RESULTS AND DIVIDENDS

The profit for the year after taxation was £1,000,000 (1994: £2,397,000).

The directors recommend the payment of a final dividend of £1,000,000 (1994: £2,397,000)

DIRECTORS

The following directors have held office during the year:-

RSWH Wiggs
PD Howes
R Andrews
RJR Benson
RK Davies
BJ Wilson
WL Danton
R Casling
PN Whitlock
D Norton

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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 Group Plc, or its fellow subsidiary undertaking, Security Services Plc, other than as follows:

	Securicor Group Plc			
	'A' Ordinary Shares 1995	1994	Ordinary stock 1995	1994
R Andrews	10,154	9,107	257	257
RJR Benson	6,142	2,530	18	18
BJ Wilson	1,993	548	-	-

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DIRECTORS' REPORT

FIXED ASSETS

The significant changes in fixed assets during the year are explained in note 6 to the financial statements.

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



Mrs AP Munson
Secretary

2 January 1996

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SECURICOR DISTRIBUTION SERVICES LIMITED
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**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:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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.

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AUDITORS' REPORT TO THE MEMBERS OF SECURICOR DISTRIBUTION SERVICES LIMITED
(formerly Securicor Parcels Limited)

We have audited the financial statements on pages 6 to 11.

Respective responsibilities of directors and auditors

As described on page 4 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 1995 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

2 January 1996

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PROFIT AND LOSS ACCOUNT
for the year ended 30 September 1995

	Notes	1995	1994
Investment income	1	1,148,000	2,397,000
Administration expenses		148,000	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	1,000,000	2,397,000
Taxation	4	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,000,000	2,397,000
Dividends	5	1,000,000	2,397,000
RETAINED PROFIT FOR THE YEAR	£	-	£ -

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 profit for the year represents the company's historical cost profit.

The profit on ordinary activities arises from the company's continuing operations.

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BALANCE SHEET
30 September 1995

	Notes	1995	1994
FIXED ASSETS			
Tangible assets	6	38,517,873	4,698,398
CURRENT ASSETS			
Debtors	7	31,248,907	14,001,871
CREDITORS			
Amounts falling due within one year	8	15,417,500	500
NET CURRENT ASSETS		15,831,407	14,001,371
TOTAL ASSETS LESS CURRENT LIABILITIES		54,349,280	18,699,769
CREDITORS			
Amounts falling due after one year	9	54,349,180	18,699,669
		£ 100	£ 100
CAPITAL AND RESERVES			
Called up share capital	10	100	100
Profit and loss account		-	-
		£ 100	£ 100

Approved by the board on 2 January 1996

Director

Director

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Financial statements for the year ended 30 September 1995

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ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 1995

	1995	1994
1. INVESTMENT INCOME		
Income from fixed asset investments:		
Subsidiary undertakings	£1,148,000	£2,397,000
	<u> </u>	<u> </u>
2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration	£ -	£ -
	<u> </u>	<u> </u>
3. EMPLOYEES		
The average weekly number of persons (including directors) employed by the company during the year was:	No.	No.
Office and management	10	10
	<u> </u>	<u> </u>
The directors were the sole employees of the company and received no remuneration during the year.		
	1995	1994
4. TAXATION		
Group relief receivable based on the result for the year at 33% (1994: 33%)	£ -	£ -
	<u> </u>	<u> </u>
5. DIVIDENDS		
Final paid £10,000 per share (1994: £23,970)	£1,000,000	£2,397,000
	<u> </u>	<u> </u>

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 1995

6. FIXED ASSETS INVESTMENTS

	Shares in group undertakings
Cost and net book value:	
1 October 1994	4,698,398
Addition at cost	33,819,475
30 September 1995	<u>£ 38,517,873</u>

Subsidiary undertakings:

Name of company	Nature of business	Class of shares held	Proportion of shares held
Securicor Pony Express Limited	Courier Services	£1 ordinary	100%
Auto Parts Express (Freight) Limited	Non-Trading	£1 ordinary	100%
Scottish Express Ltd	Freight Movement	£1 ordinary	100%
Russell Davies Ltd and subsidiary companies	Freight Movement	£1 'A' ordinary \$1 'B' ordinary	100% 100%

The above companies are registered in England and Wales except for Scottish Express Limited which is registered in Scotland. The addition during the year relates to Russell Davies Ltd.

The accounts present information about the company as an individual undertaking, and not about its group, as the company has taken advantage of the exemption provided by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of Security Services Plc, a company registered in England and Wales, and is included in that company's consolidated accounts.

	1995	1994
7. DEBTORS		
Due within one year:		
Amount owed by subsidiary undertaking	31,248,000	14,000,964
Other debtors	907	907
	<u>£31,248,907</u>	<u>£14,001,871</u>

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 1995

	1995	1994
8. CREDITORS		
Amounts falling due within one year:		
Amounts owed to group undertakings -		
Parent and fellow subsidiary		
undertakings	4,848,000	-
Accruals	-	500
Other creditors	10,569,500	-
	<u>£15,417,500</u>	<u>£ 500</u>
9. CREDITORS		
Amounts falling due after one year:		
Amount owed to parent undertaking	45,849,680	18,699,669
Other creditors	8,499,500	-
	<u>£ 54,349,180</u>	<u>£ 18,699,669</u>
10. SHARE CAPITAL		
Authorised:		
100,000 Ordinary Shares of £1 each	<u>£ 100,000</u>	<u>£ 100,000</u>
Allotted, issued and fully paid:		
100 Ordinary Shares of £1 each	<u>£ 100</u>	<u>£ 100</u>

Securicor Distribution Services Limited is a subsidiary undertaking of Security Services plc. The ultimate holding company is Securicor Group plc and both companies are registered in England and Wales. Copies of the group accounts of Securicor Group plc and Security Services plc can be obtained from Sutton Park House, 15 Carshalton Road, Sutton, Surrey SM1 4LD.