

# Securicor Omega Holdings Limited

## FINANCIAL STATEMENTS

for the year ended

30 September 2002



# Securicor Omega Holdings Limited

## DIRECTORS AND OFFICERS

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### DIRECTORS

SJ Allen  
TL Dighton  
BH Flickinger  
JCJ Hogan  
PE Kruse  
HJ Machielsen  
JP Mullen  
RSWH Wiggs

### SECRETARY

AP Munson

### COMPANY NUMBER

00192571 (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 Omega Holdings Limited

## DIRECTORS' REPORT

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The directors submit their report and the group financial statements of Securicor Omega Holdings Limited for the year ended 30 September 2002.

### PRINCIPAL ACTIVITIES

The principal activities of the group, carried out both in the United Kingdom and internationally, include container transport, contract distribution and warehouse management, express parcels, freight haulage, document delivery and vehicle fleet services.

### REVIEW OF THE BUSINESS

The directors consider the group's state of affairs to be satisfactory and that future results will show an improvement.

### DIVIDENDS

The directors do not recommend the payment of a final dividend.

### DIRECTORS

The following directors have held office since 1 October 2001:

CC Shirtcliffe	(resigned 28 January 2002)
RC Casling	(resigned 5 August 2002)
HJ Machielsen	
JCJ Hogan	
JL Brotherton	(resigned 2 November 2001)
PE Kruse	
JP Mullen	
M Proffitt	(resigned 15 January 2002)
SJ Allen	(appointed 2 November 2001)
RSWH Wiggs	(appointed 28 January 2002)
BH Flickinger	(appointed 15 January 2002)
TL Dighton	(appointed 5 August 2002)

### DIRECTORS' INTERESTS IN SHARES

No director had any interest in the share capital of the company.

### MARKET VALUE OF LAND AND BUILDINGS

The directors are of the opinion that the market value of properties at 30 September 2002 would exceed the net book values included in the financial statements, but they are unable to quantify this excess in the absence of a professional valuation, the costs of which are not considered justifiable in view of the company's intention to retain ownership of its existing properties for use in its business for the foreseeable future.

### EMPLOYMENT OF DISABLED PERSONS

The group's policy and practice is to encourage the recruitment and subsequent training, career development and promotion of disabled persons on the basis of their aptitudes and abilities, and the retention and retraining of employees who become disabled.

# Securicor Omega Holdings Limited

## DIRECTORS' REPORT

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### EMPLOYEE INVOLVEMENT

The group has continued its practice of keeping employees informed on a regular basis of current activities, progress and general matters of interest by various methods including the circulation on an individual basis of the in-house magazine, the 'Distributor'.

### PAYMENT OF SUPPLIERS

It is the company's and the group's policy to pay suppliers in accordance with the payment terms negotiated with them. Thus prompt payment is normally made to those suppliers meeting their obligations.

During the year to 30 September 2002, Securicor Omega Holdings Limited did not have any trade creditors. At 30 September 2002 the consolidated trade creditors of the group represented 28 days of annual purchases (2001: 33 days).

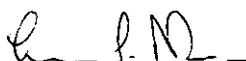
### POLITICAL AND CHARITABLE DONATIONS

The group made charitable donations totalling £35,000 (2001: £29,000) during the year.

### 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 the succeeding financial year.

By order of the board



AP Munson  
Secretary

10 December 2002

# Securicor Omega Holdings Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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 group and the company and of the profit or loss of the group 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 and the group 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 the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SECURICOR OMEGA HOLDINGS LIMITED

We have audited the financial statements on pages 6 to 28.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

## **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

## **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 affairs of the group and the company at 30 September 2002 and of the group's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

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

*10 December 2002*

**Securicor Omega Holdings Limited**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
for the year ended 30 September 2002

	<i>Notes</i>	2002 £'000	2001 £'000
TURNOVER	1	695,107	677,804
Cost of sales		(531,029)	(519,012)
GROSS PROFIT		<u>164,078</u>	<u>158,792</u>
Net operating expenses including the amortisation of goodwill	2	(159,976)	(156,228)
OPERATING PROFIT	2	<u>4,102</u>	<u>2,564</u>
Interest receivable		429	744
Interest payable	3	(3,003)	(3,904)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>1,528</u>	<u>(596)</u>
Taxation	5	(2,561)	(1,242)
LOSS ON ORDINARY ACTIVITIES		<u>(1,033)</u>	<u>(1,838)</u>
Dividends	6	-	-
RETAINED LOSS FOR THE YEAR	18	<u>(1,033)</u>	<u>(1,838)</u>

The retained loss for the year represents the group's historical cost loss.

The turnover and operating profit for the year arises from the group's continuing operations.

**Securicor Omega Holdings Limited**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
for the year ended 30 September 2002

	2002 £'000	2001 £'000
Loss for the financial year	(1,033)	(1,838)
Currency translation gains	34	144
Total recognised gains and losses recognised since last annual report	<u>(999)</u>	<u>(1,694)</u>



# Securicor Omega Holdings Limited

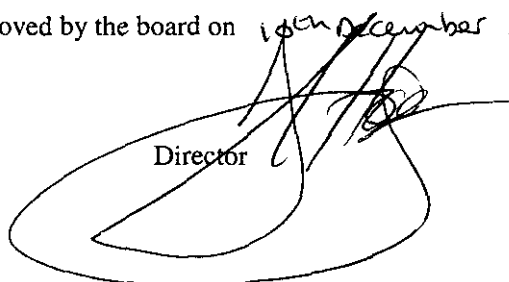
## CONSOLIDATED BALANCE SHEET

30 September 2002

	Notes	2002 £'000	2001 £'000
<b>FIXED ASSETS</b>			
Intangible assets	7	159,541	169,164
Tangible assets	8	81,874	85,355
		<u>241,415</u>	<u>254,519</u>
<b>CURRENT ASSETS</b>			
Stocks	10	2,589	4,606
Debtors	11	162,543	157,106
Bank and deposit balances		13,259	4,571
		<u>178,391</u>	<u>166,283</u>
<b>CREDITORS: Amounts falling due within one year</b>	13	(166,095)	(124,189)
<b>NET CURRENT ASSETS</b>		<u>12,296</u>	<u>42,094</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>253,711</u>	<u>296,613</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	14	(843)	(42,503)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	15	(1,225)	(1,468)
<b>NET ASSETS</b>		<u>251,643</u>	<u>252,642</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	32,000	32,000
Share premium	17	230,843	230,843
Profit and loss account	18	(11,200)	(10,201)
<b>SHAREHOLDERS' FUNDS</b>	19	<u>251,643</u>	<u>252,642</u>

Approved by the board on 10th December 2002

Director



# Securicor Omega Holdings Limited

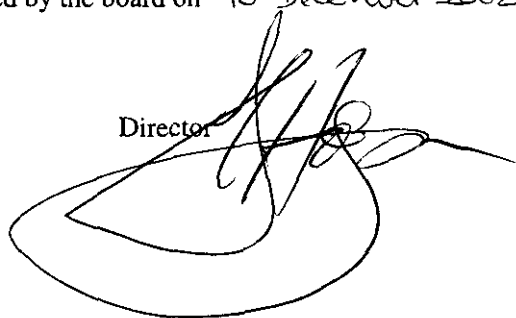
## BALANCE SHEET

30 September 2002

	<i>Notes</i>	2002 £'000	2001 £'000
<b>FIXED ASSETS</b>			
Investments	9	203,886	203,886
<b>CURRENT ASSETS</b>			
Debtors	11	155,883	153,438
CREDITORS: Amounts falling due within one year	13	(80,256)	(41,749)
<b>NET CURRENT ASSETS</b>		75,627	111,689
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		279,513	315,575
CREDITORS: Amounts falling due after more than one year	14	-	(42,000)
<b>NET ASSETS</b>		279,513	273,575
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	32,000	32,000
Share premium	17	230,843	230,843
Profit and loss account	18	16,670	10,732
<b>SHAREHOLDERS' FUNDS</b>	19	279,513	273,575

Approved by the board on 10 December 2002

Director



**Securicor Omega Holdings Limited**  
**CONSOLIDATED CASH FLOW STATEMENT**  
for the year ended 30 September 2002

	<i>Notes</i>	2002 £'000	2001 £'000
Cash flow from operating activities	20a	28,820	4,376
Returns on investments and servicing of finance	20b	(2,574)	(3,160)
Taxation		(3,589)	(2,041)
Capital expenditure and financial investment	20b	(11,590)	(11,003)
Equity dividends paid		(280)	(280)
<b>CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>		<u>10,787</u>	<u>(12,108)</u>
Financing	20b	2,837	8,600
<b>INCREASE/(DECREASE) IN CASH IN THE YEAR</b>		<u>13,624</u>	<u>(3,508)</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN DEBT**

	2002 £'000	2001 £'000
Increase/(decrease) in cash in the period	13,624	(3,508)
Cash flow from increase in debt and lease financing	(2,837)	(8,600)
Change in net funds/(debt) resulting from cash flows	<u>10,787</u>	<u>(12,108)</u>
New finance leases	(216)	-
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<u>10,571</u>	<u>(12,108)</u>
<b>NET DEBT AT 1 OCTOBER 2001</b>	(61,555)	(49,447)
<b>NET DEBT AT 30 SEPTEMBER 2002</b>	<u>20c</u> <u>(50,984)</u>	<u>(61,555)</u>

# Securicor Omega Holdings Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, on the going concern basis and, in accordance with applicable accounting standards.

All accounting policies applied are consistent with those of prior periods with the exception of Deferred Taxation, which has been amended following the introduction of Financial Reporting Standard 19 and implementation of the transitional provisions of Financial Reporting Standard 17 Retirement Benefits.

### BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of Securicor Omega Holdings Limited, its subsidiary undertakings and the group's share of the results and net assets/liabilities of its associates covering the year to 30 September 2002. Subsidiary and associated undertakings acquired during the period are consolidated using the acquisition method. Their results are incorporated from the date that control passed. All financial statements are made up to 30 September 2002.

### ASSOCIATED UNDERTAKINGS

Associated undertakings are activities in which a member of the group holds a long term minority equity interest, but over which it is in a position to exert a significant influence. The accounts include the relevant proportion of the results of associated undertakings based on the last audited and subsequent management accounts where year ends are not coterminous.

In the consolidated balance sheet the investment in associated undertakings are shown as the group's share of underlying net costs or liabilities under the heading 'Investments in associated undertakings'.

### ACCOUNTING FOR ACQUISITIONS AND DISPOSALS

The results of businesses acquired or disposed of are consolidated from or to the effective date of acquisition or disposal. On the acquisition of subsidiary undertakings or businesses, the acquisition cost is allocated against the fair value of net assets acquired, after adjustment to bring accounting policies into line with those of the group.

### GOODWILL AND AMORTISATION

Goodwill being the excess of the cost of an acquisition over the fair value attributed to the net assets at acquisition is capitalised and written off over its useful economic life which is expected not to exceed 20 years. Provision is made for any impairment.

### DEPRECIATION

Depreciation is calculated to write off the costs of the assets to their estimated residual values by equal annual instalments over their expected economic life. No depreciation is provided on freehold and long leasehold land. The depreciation rates are as follows:

Freehold and long leasehold	up to 2%
Short leasehold (under 50 years)	over the lease term
Equipment and motor vehicles	10% - 33.33%

### STOCKS

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost represents expenditure incurred in the ordinary course of business to bring stock to its present condition and location and includes appropriate overheads.

# Securicor Omega Holdings Limited

## ACCOUNTING POLICIES

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### DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### FOREIGN CURRENCIES

Profits and losses and assets and liabilities denominated in foreign currencies have been translated into sterling at the rates of exchange ruling at the balance sheet date. Foreign exchange adjustments, including those arising on consolidation have been transferred to reserves.

### CONTRACT HIRE INCOME

Contract hire income is credited to the profit and loss account so that the income and expenditure are matched over the duration of the related contracts.

### MAINTENANCE OF CONTRACT VEHICLES

Income received in respect of maintenance is deferred and subsequently credited to the profit and loss account so that it matches expenditure to be incurred over the duration of the related contracts.

### LEASED ASSETS AND OBLIGATIONS

Assets held under finance leases are included as tangible fixed assets at their capital value and depreciated over the shorter of the lease term and their useful economic life. The capital element of future rentals is included within creditors and finance charges are allocated to accounting periods over the period of the lease. Annual rentals payable or receivable under operating leases are charged or credited to the profit and loss account as incurred and future rental obligations are disclosed in note 22 to the consolidated accounts.

### RETIREMENT BENEFITS

The group contributes to various funded pension schemes which are established in accordance with local conditions and practices within the country concerned. The principal scheme, which operates in the UK, is a defined benefit structure. For defined benefit schemes the amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost and expected return on assets are included within other finance costs.

A new contracted in defined contribution scheme was established in 1996 and is the main scheme for new employees. The amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

The group has adopted the interim disclosure requirements of FRS17 as shown in note 23.

### EMPLOYEE SHARE OWNERSHIP PLAN

The group operates an ESOP, with the assets and liabilities held separately from the group by an independent professional trustee who will keep the shares in safe custody during the holding period. Finance costs and administrative expenses are charged as they accrue.

### GROUP TURNOVER

Turnover represents the sales, net of Value Added Tax, by group companies to external customers.

# Securicor Omega Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2002

### 1 NET ASSETS, TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION

Net assets, turnover and profit on ordinary activities before interest and taxation were in the following geographical markets:

	Net assets 2002 £'000	Turnover 2002 £'000	Profit before interest and taxation 2002 £'000	Net assets 2001 £'000	Turnover 2001 £'000	Profit before interest and taxation 2001 £'000
United Kingdom	248,343	665,825	2,931	249,768	655,787	1,667
Europe	3,300	29,282	1,171	2,874	22,017	897
	<u>251,643</u>	<u>695,107</u>	<u>4,102</u>	<u>252,642</u>	<u>677,804</u>	<u>2,564</u>

The net assets, turnover and profit before interest and taxation were all derived from the group's principal activities of container transport, contract distribution and warehouse management, express parcels, freight haulage, document delivery and vehicle fleet services.

### 2 OPERATING PROFIT

(a) Operating profit has been arrived at after taking account of:

	2002 £'000	2001 £'000
Administrative expenses	159,754	156,582
Distribution expenses	296	256
Other non trading income	(74)	(610)
Total	<u>159,976</u>	<u>156,228</u>

(b) Profit on ordinary activities before interest and taxation has been arrived at after charging/(crediting):

	2002 £'000	2001 £'000
Auditors' remuneration		
Audit	247	233
Depreciation of tangible fixed assets:		
Charge for the year:		
Owned assets	15,251	13,635
Leased assets	114	297
Amortisation- goodwill	9,623	9,610
Operating lease rentals payable:		
Plant, machinery and vehicles	40,719	33,097
Property	20,162	16,812
(Profit)/loss on disposal of assets:		
Properties	(95)	-
Other tangible fixed assets	(189)	234
Charitable donations	35	29
Exchange losses	-	8

# Securicor Omega Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2002

3	INTEREST PAYABLE	2002 £'000	2001 £'000
	On bank loans and overdrafts wholly repayable within 5 years	2,979	3,853
	Finance leases and hire purchase contracts	24	51
		<u>3,003</u>	<u>3,904</u>
4	EMPLOYEES	2002 No.	2001 No.
	The average weekly number of persons (including directors) employed by the group during the year was:		
	Office, management and administration	2,763	2,608
	Transport and operations	7,988	9,465
	Overseas	390	360
		<u>11,141</u>	<u>12,433</u>
	Staff costs for the above persons:	2002 £'000	2001 £'000
	Wages and salaries	222,197	225,128
	Social security costs	17,003	17,358
	Other pension costs	7,557	7,579
		<u>246,757</u>	<u>250,065</u>
	DIRECTORS' REMUNERATION	2002 £'000	2001 £'000
	Emoluments	452	316
	Compensation for loss of office	150	-
	Total emoluments	<u>602</u>	<u>316</u>
	Directors' emoluments disclosed above include the following payment to the highest paid director:		
	Emoluments	219	189
	Accrued pension entitlement	29	5
		<u>248</u>	<u>194</u>
		Number	Number
	The number of directors to whom retirement benefits are accruing under:		
	Defined benefit schemes	3	2

# Securicor Omega Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2002

5	TAXATION	2002 £'000	2001 £'000
	Current tax:		
	UK corporation tax on profits of the period	3,588	1,669
	Adjustments in respect of previous periods	(431)	(369)
	Total current tax	<u>3,157</u>	<u>1,300</u>
	Deferred tax:		
	Origination and reversal of timing differences	(596)	(58)
	Total deferred tax	<u>(596)</u>	<u>(58)</u>
	Tax on profit on ordinary activities	<u>2,561</u>	<u>1,242</u>
	Factors affecting tax charge for the period		
	The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:		
	Profit/(loss) on ordinary activities before tax	<u>1,528</u>	<u>(596)</u>
	Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2001: 30%)	458	(179)
	Effects of:		
	Expenses not deductible for tax purposes	3,937	1,735
	Capital allowances in excess of depreciation	(657)	217
	Lower rate tax on overseas earnings	(150)	(104)
	Adjustment to tax charge in respect of previous periods	(431)	(369)
	Current tax charge for the period	<u>3,157</u>	<u>1,300</u>
	No deferred tax is recognised on the unremitted earnings of overseas subsidiaries, associates and joint ventures. As the earnings are continually reinvested by the group, no tax is expected to be payable on them in the foreseeable future.		
6	DIVIDENDS	2002 £'000	2001 £'000
	Ordinary:		
	Final proposed – Nil p per ordinary share (2001: Nil p)	<u>-</u>	<u>-</u>



**Securicor Omega Holdings Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 September 2002

**7 INTANGIBLE FIXED ASSETS**

<b>GROUP</b>	<i>Goodwill £'000</i>
Cost:	
1 October 2001 and 30 September 2002	193,187
Amounts written off:	
1 October 2001	24,023
Charged in the year	9,623
30 September 2002	33,646
Net book value:	
30 September 2002	159,541
30 September 2001	169,164

**8 TANGIBLE FIXED ASSETS**

	<i>Freehold Land and buildings £'000</i>	<i>Leasehold Properties Long- term £'000</i>	<i>Short- term £'000</i>	<i>Equipment and vehicles £'000</i>	<i>Total £'000</i>
<b>GROUP</b>					
Cost or valuation					
1 October 2001	27,143	5,393	13,327	106,512	152,375
Additions	395	54	593	13,704	14,746
Disposals	(451)	-	(76)	(8,143)	(8,670)
Exchange movement	-	8	-	29	37
30 September 2002	27,087	5,455	13,844	112,102	158,488
Depreciation					
1 October 2001	1,957	1,262	7,408	56,393	67,020
Charged in the year	437	166	809	13,953	15,365
Disposals	(138)	-	(60)	(5,600)	(5,798)
Exchange movement	-	4	-	23	27
30 September 2002	2,256	1,432	8,157	64,769	76,614
Net book value					
30 September 2002	24,831	4,023	5,687	47,333	81,874
30 September 2001	25,186	4,131	5,919	50,119	85,355

# Securicor Omega Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2002

### 8 TANGIBLE FIXED ASSETS (*continued*)

The net book value of fixed assets includes £821,181 in respect of assets held under finance leases (2001: £942,270).

The gross amount of fixed assets owned for use under operating leases at 30 September 2002 is £29,773,000 (2001: £29,659,000). The related accumulated depreciation is £12,922,000 (2001: £11,640,000).

### 9 FIXED ASSET INVESTMENTS

Subsidiary  
undertakings  
£'000

#### COMPANY

Cost:

1 October 2001 and 30 September 2002

203,886

The company holds more than 10% of the equity of the following main subsidiary undertakings:

<i>Subsidiary undertakings</i>	<i>Country of registration/ incorporation</i>	<i>Class of holding</i>	<i>Proportion directly held</i>	<i>Nature of business</i>
Securicor Omega Express Limited	England	Ordinary	100%	Parcel and document delivery
Securicor Fuelserv Limited	England	Ordinary	100%	Fuel management
Securicor Omega Express (Ireland) Limited	Ireland	Ordinary	100%	Parcel and document delivery
Securicor Vehicle Management Limited	England	Ordinary	100%	Contract hire and fleet management
Securicor Vehicle Services Limited	England	Ordinary	100%	Transport management service

### 10 STOCKS

2002  
£'000

2001  
£'000

#### GROUP

Raw materials and consumables

286

3,800

Finished goods and goods for resale

2,303

806

2,589

4,606

The replacement costs of stocks approximates to the value stated in the accounts.

# Securicor Omega Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2002

11	DEBTORS	2002 £'000	2001 £'000
	GROUP		
	Due within one year:		
	Trade debtors	136,765	133,379
	Amounts owed by related parties	3,796	5,578
	Other debtors	8,820	8,077
	Prepayments and accrued income	13,162	10,008
		<u>162,543</u>	<u>157,042</u>
	Due in more than one year:		
	Other debtors	-	64
		<u>162,543</u>	<u>157,106</u>
		2002 £'000	2001 £'000
	COMPANY		
	Due within one year:		
	Amounts owed by subsidiary undertakings	155,883	146,063
	Other debtors	-	27
	Dividends receivable	-	7,348
		<u>155,883</u>	<u>153,438</u>
12	DEFERRED TAX	2002 £'000	2001 £'000
	GROUP		
	Balance at 1 October 2001	-	(58)
	Transfer to/(from) profit and loss account	596	58
	Balance at 30 September 2002	<u>596</u>	<u>-</u>
		2002 £000	2001 £000
	Asset for deferred tax has been made as follows:		
	Accelerated capital allowances	370	-
	Other timing differences	226	-
	Undiscounted deferred tax asset	<u>596</u>	<u>-</u>

# Securicor Omega Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2002

13	CREDITORS: Amounts falling due within one year	2002 £'000	2001 £'000
	GROUP		
	Bank overdrafts	18,594	23,530
	Bank loans	45,000	-
	Obligations under finance leases	161	219
	Trade creditors	39,942	44,052
	Amounts owed to related parties	4,049	3,874
	Proposed dividend	-	280
	Other taxation and social security costs	16,684	16,848
	Other creditors	9,748	9,798
	Accruals and deferred income	31,917	25,588
		<u>166,095</u>	<u>124,189</u>
		2002 £'000	2001 £'000
	COMPANY		
	Bank overdrafts	17,851	12,126
	Bank loans	45,000	-
	Amounts owed to subsidiary undertakings	16,080	29,190
	Proposed dividend	-	280
	Corporation tax	1,152	-
	Accruals and deferred income	173	153
		<u>80,256</u>	<u>41,749</u>

Obligations under finance leases and hire purchase contracts are secured by related assets.

14	CREDITORS: Amounts falling due in more than one year	2002 £'000	2001 £'000
	GROUP		
	Bank loans	-	42,000
	Obligations under finance leases and hire purchase contracts	488	377
	Other creditors	355	126
		<u>843</u>	<u>42,503</u>

The bank loans bear interest at a rate which fluctuates in line with the base rate.

The bank loans are unsecured and include £45 million drawn down under bilateral revolving credit facilities repayable 30 September 2003. The aggregate amount of these facilities at 30 September 2002 was £60 million.

# Securicor Omega Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2002

14	CREDITORS: amounts falling due in more than one year (continued)	2002 £'000	2001 £'000
	Amounts repayable other than by instalments:		
	Bank loans:		
	Repayable within five years	45,000	42,000
	Obligations under finance leases and hire purchase contracts:		
	Within one year	161	219
	Within two to five years	105	128
	After five years	383	249
		649	596

Obligations under finance leases and hire purchase contracts are secured by related assets.

	2002 £'000	2001 £'000
COMPANY		
Bank loans	-	42,000

15	PROVISIONS FOR LIABILITIES AND CHARGES	Onerous property contracts £'000
	GROUP	
	1 October 2001	1,468
	Transfer from/(to) profit and loss account	743
	Paid in the period	(986)
	30 September 2002	1,225

Within the onerous property contracts provision, the group has provided against future liabilities for all properties sub-let at a shortfall and long-term idle properties.

16	SHARE CAPITAL	2002 £'000	2001 £'000
	Authorised, allotted, issued and fully paid:		
	32,000,000 Ordinary A shares of 75p each	24,000	24,000
	32,000,000 Ordinary B shares of 25p each	8,000	8,000
		32,000	32,000

The A ordinary shares carry rights to 50.001% of profits to be distributed and surplus assets.

The B ordinary shares carry rights to 49.999% of profits to be distributed and surplus assets.

All A and B shares carry equal voting rights.

**Securicor Omega Holdings Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 September 2002

17	SHARE PREMIUM ACCOUNT	2002 £'000	2001 £'000
	GROUP AND COMPANY		
	1 October 2001 and 30 September 2002	230,843	230,843
18	PROFIT AND LOSS ACCOUNT	2002 £'000	2001 £'000
	GROUP		
	1 October 2001	(10,201)	(8,507)
	Retained loss for the financial year	(1,033)	(1,838)
	Exchange gain	34	144
	30 September 2002	(11,200)	(10,201)
	COMPANY		
	1 October 2001	10,732	3,886
	Retained profit for the financial year	5,938	6,846
	30 September 2002	16,670	10,732
19	RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS	2002 £'000	2001 £'000
	GROUP		
	Retained loss for the financial year	(1,033)	(1,838)
	Exchange gain	34	144
	Net reduction to shareholders' funds	(999)	(1,694)
	Opening shareholders' funds	252,642	254,336
	Closing shareholders' funds	251,643	252,642
	COMPANY		
	Retained profit for the financial year	5,938	6,846
	Net addition to shareholders' funds	5,938	6,846
	Opening shareholders' funds	273,575	266,729
	Closing shareholders' funds	279,513	273,575

# Securicor Omega Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2002

20	CASH FLOWS	2002 £'000	2001 £'000
a	Reconciliation of operating profit to net cash inflow from operating activities		
	Operating profit	4,102	2,564
	Depreciation	15,365	13,932
	Amortisation of goodwill	9,623	9,610
	(Profit)/loss on sale of fixed assets	(284)	234
	Decrease in stocks	2,017	2
	Increase in debtors	(4,409)	(3,282)
	Increase/(decrease) in creditors	2,649	(18,058)
	Decrease in provisions	(243)	(626)
	Net cash flow from operating activities	28,820	4,376
		<hr/>	<hr/>
		2002 £'000	2001 £'000
b	Analysis of cash flows for headings netted in the cash flow		
	<b>Returns on investments and servicing of finance</b>		
	Interest received	429	744
	Interest paid	(2,979)	(3,853)
	Interest element of finance lease rental payments	(24)	(51)
	Net cash outflow for returns on investment and servicing of finance	(2,574)	(3,160)
		<hr/>	<hr/>
	<b>Capital expenditure and financial investment</b>		
	Purchase of tangible fixed assets	(14,746)	(13,430)
	Sale of tangible fixed assets	3,156	2,427
	Net cash outflow for capital expenditure and financial investment	(11,590)	(11,003)
		<hr/>	<hr/>
	<b>Financing</b>		
	Increase in loans	3,000	9,000
	Capital element of finance lease rental payments	(163)	(400)
	Net cash inflow from financing	2,837	8,600
		<hr/>	<hr/>

**Securicor Omega Holdings Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 September 2002

20 c	CASH FLOWS ( <i>continued</i> ) Analysis of net debt	At 1 October 2001 £'000	Cash flow £'000	Other non cash changes £'000	At 30 September 2002 £'000
	Cash in hand and bank	4,571	8,688	-	13,259
	Overdrafts	(23,530)	4,936	-	(18,594)
	Bank loans	-	-	(45,000)	(45,000)
			<u>13,624</u>	<u>(45,000)</u>	
	Debt due after 1 year	(42,000)	(3,000)	45,000	-
	Finance leases	(596)	163	(216)	(649)
			<u>(2,837)</u>	<u>44,784</u>	
	Total	<u>(61,555)</u>	<u>10,787</u>	<u>(216)</u>	<u>(50,984)</u>

21	CAPITAL COMMITMENTS	2002 £'000	2001 £'000
	GROUP		
	Capital expenditure contracted for but not provided in the financial statements	416	749
	COMPANY		
	Capital expenditure contracted for but not provided in the financial statements	-	-

22 COMMITMENTS UNDER OPERATING LEASES

At 30 September 2002 the group had annual commitments under non-cancellable operating leases as follows:

	2002 £'000	2001 £'000
Land and buildings		
Expiring within 1 year	2,436	966
Expiring between 1 and 2 years	1,572	1,767
Expiring between 2 and 5 years	2,829	3,623
Expiring in 5 years or more	12,559	11,734
Other		
Expiring within 1 year	12,676	4,983
Expiring between 1 and 2 years	11,633	9,443
Expiring between 2 and 5 years	7,917	29,274
Expiring in 5 years or more	446	1,086
	<u>52,068</u>	<u>62,876</u>



# Securicor Omega Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2002

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### 23 PENSION COMMITMENTS

The group operates various funded pension schemes that are established in accordance with local conditions and practices within the countries concerned. Contributions made to defined contributions schemes, including the contracted-in defined contribution scheme which is the main scheme for new UK employees, and to overseas schemes totalled £1.4m (2001: £1.4m). The group's principal scheme, which operates in the UK, is of a defined benefit structure. The assets of the defined benefit scheme are held in a separate trustee-administered fund. The pension costs are assessed on the advice of a qualified independent actuary using the projected unit credit method.

The contributions paid into the UK defined benefit scheme constitute the cost recognised in the profit and loss account and amounted to £5.5m (2001: £6.2m). Regular actuarial assessments of the scheme are carried out, the latest being at 5 April 2001, and updated to 30 September 2002. The most significant actuarial assumptions used were that the long-term rates of return on investments would be 2.75% above the risk-free return, 2.75% above the rate of annual salary increase and 4.75% above the rate of pension increase. As at the date of the actuarial valuation reviewed to 30 September 2002 the market value of the scheme assets was £103m. This is in excess of the assessment of the scheme's liabilities on a current funding level basis (the Minimum Funding Requirement solvency level), being based upon pensionable service to and pensionable earnings at 30 September 2002. The scheme has therefore been certified by an independent actuary as meeting the Minimum Funding Requirement solvency level. However, the assets comprise 92% of the scheme's liabilities on actuarial assumptions which take account of future service and earnings increases.

Variances arising on the actuarial valuation of the defined benefit scheme will be reviewed regularly and, in accordance with Statement of Standard Accounting Practice 24 Pension Costs, recognised in the profit and loss account over the average remaining service lives of the scheme's members through adjustments in the percentage of pensionable earnings contributed to the scheme and charged as a cost. The contribution rate for the year commencing October 2002 has been increased from 11% to 12% in respect of future service benefits.

FRS17 Retirement Benefits was issued by the Accounting Standards Board in November 2000 but is not fully mandatory until the accounts for the year ended 30 September 2006 and some of its requirements may alter in the process of the harmonisation of UK and international accounting standards. Prior to this the transitional arrangements are to disclose certain items by way of note.

The major assumptions for the UK defined benefit pension scheme valuation in accordance with the methodology prescribed by FRS17 are as follows:

	2002 %
Rate of increase in salaries	4.25
Rate of increase in pension payment	2.25
Discount rate	5.40
Inflation	2.25

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Securicor Omega Holdings Limited  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 September 2002

23 PENSION COMMITMENTS (*continued*)

On full compliance with FRS17 on the basis of the above assumptions, the amounts which would have been charged to the profit and loss account and statement of total recognised gains and losses for the year to 30 September 2002 are as follows:

	£m	£m
Profit on ordinary activities before interest, exceptional items		
taxation:		
Current service cost	(6.2)	
Past service cost	-	
		(6.2)
Financial items:		
Expected return on scheme assets	7.5	
Interest cost on scheme liabilities	(7.6)	
		(0.1)
Total included within profit before taxation		(6.3)
Statement of total recognised gains and losses:		
Actual return less expected return on scheme assets		(17.5)
Experience losses in scheme liabilities		(1.0)
Changes in assumptions in valuation of scheme liabilities		(11.7)
Total actuarial loss		(30.2)
		%
Difference between expected and actual return on scheme assets as a percentage of scheme assets (%)		(16.9)
Experience losses on scheme liabilities as a percentage of scheme liabilities (%)		(0.7)
Total amount recognised in the Statement of Total Recognised Gains and Losses as a percentage of scheme liabilities (%)		(20.0)

The market value of assets at 30 September 2002 in the UK defined benefit scheme, in accordance with the actuarial methods prescribed by FRS17, and the expected rate of return are as follows:

	2002 £m	2002 %
Equities	58.0	8.0
Bonds	45.0	5.4
Total market value of assets	103.0	
Actuarial value of liability	(151.0)	
Deficit in the scheme	(48.0)	
Related deferred tax asset	14.4	
Net pension liability	(33.6)	

# Securicor Omega Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2002

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### 23 PENSION COMMITMENTS (*continued*)

The analysis of the movement in the scheme deficit during the year calculated in accordance with FRS17 is as follows:

	£m
Deficit at 1 October 2001	(16.9)
Current service cost	(6.3)
Past service cost	-
Contributions	5.5
Expected return on scheme assets	7.5
Interest cost on scheme liabilities	(7.6)
Actuarial loss	(30.2)
Deficit at 30 September 2002	(48.0)

The UK defined benefit scheme is largely closed to new members. Under the projected unit method of actuarial valuation prescribed by FRS17 the current service cost will increase as the members of the scheme approach retirement.

### 24 CONTINGENT LIABILITIES

- a. The company has unlimited cross guarantees with Securicor Omega Logistics Limited, Securicor Omega Container Logistics Limited and Securicor Omega Express Limited.
- b. The company is included in the Securicor Omega Holdings Limited group registration for VAT purposes and is therefore jointly and severally liable for all other group companies' unpaid debts in this connection. At 30 September 2002 this liability amounted to £6,742,582 (2001: 6,534,998).
- c. The company, together with certain other companies, is jointly and severally liable under the terms of a guarantee provided in respect of a revolving credit facility.

# Securicor Omega Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2002

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### 25 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.

Securicor plc (note 1):

Securicor eSolutions Limited  
Securicor Security Limited  
Securicor Custodial Services Limited  
Securicor Management Services Limited  
Securicor Information Systems Limited  
Securicor Cash Services Limited  
Securicor Guernsey Limited  
Securicor Security Services Limited  
Securicor Jersey Limited  
Securicor Isle of Man Limited  
Securicor Deutschland Limited  
Securicor Kenya Limited  
Securicor Recruitment Services Limited  
Securicor (Malawi) Limited  
Vigilantes Caracas Vicasa SA  
Securicor Security Services Ireland Limited  
Securicor Group Limited  
Securicor Express International Ireland Limited

Deutsche Post AG (note 2):

Deutsche Post AG  
Deutsche Post Sarl  
Ducros Euro Express SA  
ASG European Road Transport GmbH  
Danzas Limited  
Van Gend & Loos - Euro Express NV  
Van Gend & Loos - Euro Express BV  
Van Gend & Loos - SA  
Deutsche Post Euro Express GMBH  
IPP Packetbeförderung (Austria)  
Gulpuzcoana Servicios Integrador SL (49% owned)  
Deutsche Post (Schweiz) AG  
Servisco Sp  
Danzas Chemicals BV  
Danzas Chemicals Limited

Note 1:

Securicor plc has a joint venture interest of 50% in Securicor Omega Holdings Limited. The subsidiaries noted above are all 100% owned by Securicor plc.

Note 2:

Deutsche Post AG has a joint venture interest of 50% in Securicor Omega Holdings Limited. The subsidiaries noted above are all 100% owned by Deutsche Post AG, unless otherwise stated.

# Securicor Omega Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2002

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### 25 RELATED PARTY TRANSACTIONS (*continued*)

Details of transactions and balances with these companies:

	2002 £'000	2001 £'000
Transaction:		
Turnover	14,707	20,687
Cost of sales	4,657	5,312
Net operating expenses	717	1,788
Balances:		
Debtor	3,796	5,578
Creditor	4,049	3,874

All transactions with related parties are in the normal course of business.

### 26 COMPANY PROFIT AND LOSS ACCOUNT

As permitted by s230 Companies Act 1985, the company has not presented its own profit and loss account. The profit attributable to Securicor Omega Holdings Limited for the year ended 30 September 2002 was £5,938,000 (2001: profit £6,846,000).

### 27 SIGNIFICANT INVESTMENTS

The businesses set out below are part of the Securicor Omega Holdings Limited group at 30 September 2002 and which, in the opinion of the directors, significantly affected the group's results and net assets during the year. Except as otherwise stated, the country of incorporation is England, the operations are within the United Kingdom, the shares are in equity share capital and the businesses wholly owned.

	Principal activity
Securicor Fuelserv Limited	Fuel and tyre management
Securicor Omega Container Logistics Limited	Logistics
Securicor Omega Express Limited	Parcel carrier
Securicor Omega Express Ireland Limited (Ireland)	Parcel carrier
Securicor Vehicle Management Limited	Fleet management
Securicor Omega Logistics Limited	Logistics
Securicor Vehicle Services Limited	Fleet management
Thisle Fuels Limited	Fuel