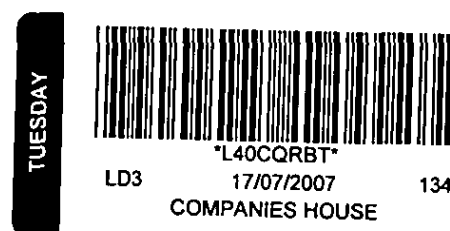


Securicor Group Limited

FINANCIAL STATEMENTS

for the year ended
31 December 2006



Company Registration No 0057379

Securicor Group Limited

DIRECTORS AND OFFICERS

DIRECTORS

NP Buckles
ILE Cowden
TL Dighton
PV David
RG Hawkins

SECRETARY

SE Lyell

REGISTERED OFFICE

The Manor
Manor Royal
Crawley
West Sussex
RH10 9UN

AUDITORS

KPMG Audit Plc
8 Salisbury Square
London
EC4Y 8BB

Securicor Group Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Securicor Group Limited for the year ended 31 December 2006

PRINCIPAL ACTIVITIES

The company's principal activity during the period was that of an holding company

DIVIDENDS

The directors do not recommend the payment of a final dividend

REVIEW OF THE BUSINESS

The directors consider that the state of the company's affairs at 31 December 2006 and its result for the period were satisfactory

DIRECTORS

The following directors held office during the period

IG Bridges (Resigned 12 January 2007)
NP Buckles
ILE Cowden
TL Dighton
NE Griffiths (Resigned 1 January 2007)
RG Hawkins
PV David (Appointed 1 January 2007)

DIRECTORS' INTERESTS IN SHARES AND SHARE OPTIONS

None of the directors have an interest in the shares of the company

The following directors, who are not holding company directors, have interests, including family interests, in the share capital of the ultimate holding company, G4S plc

	Ordinary shares of 25p each 31 12 06	Ordinary shares of 25p each 31 12 05
IG Bridges	20,000	50,000
RG Hawkins	182,612	164,542
ILE Cowden	244,498	255,045

Securicor Group Limited

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN SHARES AND SHARE OPTIONS (*continued*)

The following shares were conditionally awarded during the period to the directors, who are not also holding company directors, under the Group 4 Securicor Share Performance Plan (for further details see the Annual Report and Accounts of G4S plc)

	Number of shares conditionally awarded
IG Bridges	34,300
RG Hawkins	34,300
ILE Cowden	61,039

DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the Company is to be proposed at the forthcoming Annual General Meeting

By order of the board



PV David
Director

13th July 2007

Securicor Group Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

Independent auditors' report to the members of Securicor Group Limited

We have audited the financial statements of Securicor Group Limited for the year ended 31st December 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 auditor's 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 opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion


We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st December and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.


KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

13th July 2007

Securicor Group Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2006

	<i>Notes</i>	31 December 2006 £000	31 December 2005 £000
Investment income	1	3,664	11,395
Other operating income		121	-
Loss on disposal of investments in subsidiary undertakings		-	(14,025)
Impairment of investments		(808)	(5,391)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	3	<u>2,977</u>	<u>(8,021)</u>
Taxation		(1,136)	(3,418)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		<u>1,841</u>	<u>(11,439)</u>
Dividends Paid		-	(75,000)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	8	<u><u>1,841</u></u>	<u><u>(86,439)</u></u>

The operating profit is derived 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

There is no difference between the results as stated and the results on a historical cost basis

Securicor Group Limited

BALANCE SHEET

As at 31 December 2006

	Notes	31 December 2006 £000	31 December 2005 £000
FIXED ASSETS			
Investments	4	284,241	283,863
		<u>284,241</u>	<u>283,863</u>
CURRENT ASSETS			
Amounts owed by group undertakings		61,988	61,407
Cash at bank and in hand		14	-
		<u>62,002</u>	<u>61,407</u>
CREDITORS Amounts falling due within one year			
Corporation tax		1,136	2,004
NET CURRENT ASSETS		<u>60,866</u>	<u>59,403</u>
NET ASSETS		<u>345,107</u>	<u>343,266</u>
CAPITAL AND RESERVES			
Called up share capital	5	27,529	27,529
Share premium account	6	298,256	298,256
Capital redemption reserve	6	100	100
Profit and loss account	6	19,222	17,381
EQUITY SHAREHOLDERS' FUNDS	7	<u>345,107</u>	<u>343,266</u>

Approved by the board on 13th July 2007

PV David
Director



Securicor Group Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards

The Company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As 100% of the Company's voting rights are controlled within the group headed by G4S plc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of G4S plc, within which this Company is included, can be obtained from the address given in note 9.

INVESTMENTS

Long term investments in subsidiary undertakings are classified as fixed assets and stated at cost.

Provision is made for any permanent diminution in the value of fixed asset investments.

FOREIGN CURRENCIES

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

TAXATION

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

LEASES

Annual rentals payable or receivable under operating leases are charged or credited to the profit and loss account as incurred.

Securicor Group Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2006

1	INTEREST RECEIVABLE AND SIMILAR INCOME	31 December 2006 £000	31 December 2005 £000
	Other interest receivable and similar income	3,664	11,395
		<u>3,664</u>	<u>11,395</u>

2	EMPLOYEES	31 December 2006 Number	31 December 2005 Number
	The average weekly number of persons (including directors) employed by the company during the period was		
	Management	6	6
		<u>6</u>	<u>6</u>

DIRECTORS REMUNERATION

The directors received no emoluments in the year in respect of their services to the company (2005 £nil)

3		31 December 2006 £000	31 December 2005 £000
	Factors affecting tax charge for period		
	The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%) The differences are explained below		
	Profit/Loss on ordinary activities before tax	2,977	(8,021)
	Profit/Loss on ordinary activities multiplied by standard rate of corporation tax in the UK 30% (2004 30%)	893	(2,406)
	Effects of (Non-taxable income)/non-deductible expenditure	243	5,824
	Tax charge/(credit) for period	<u>1,136</u>	<u>3,418</u>

Securicor Group Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2006

4	FIXED ASSET INVESTMENTS	<i>Subsidiary undertakings £000</i>	<i>Associated undertakings £000</i>	<i>Total £000</i>
	Cost or valuation			
	1 January 2006	283,964	5,290	289,254
	Additions	686	500	1,186
	31 December 2006	284,650	5,790	290,440
	Amounts written off			
	1 January 2006	2,000	3,391	5,391
	Additional provision		808	808
	31 December 2006	2,000	4,199	6,199
	Net book value			
	31 December 2006	282,650	1,591	284,241
	31 December 2005	281,964	1,899	283,863

The company holds more than 10% of the equity of the following principal undertakings

Subsidiary undertakings	Country of registration/ incorporation	Class of holding	Proportion held	Nature of business
Securicor International Ltd	England	Ordinary	100%	Holding company
Securicor Security Services Ltd	England	Ordinary	100%	Holding company
G4S Cash Services (UK) Ltd	England	Ordinary	100%	Security
G4S Justice Services Ltd	England	Ordinary	100%	Custody
G4S Aviation Security (UK) Ltd	England	Ordinary	100%	Guarding
Securicor Cash Centres Ltd	England	Ordinary	100%	Security
G4S Security Services (UK) Ltd	England	Ordinary	100%	Guarding
Securicor Finance Ltd	England	Ordinary	100%	Intermediary company
Securicor (MP) Ltd	England	Ordinary	100%	Holding company

All the above companies have co-terminus accounting reference dates

5	SHARE CAPITAL	31 December 2006 £000	31 December 2005 £000
	Authorised		
	56,029,236 'X' ordinary shares of 25p each	14,007	14,007
	63,970,764 'Y' ordinary shares of 25p each	15,993	15,993
		30,000	30,000
	Allotted, issued and fully paid		
	56,029,236 'X' ordinary shares of 25p each	14,007	14,007
	54,086,676 'Y' ordinary shares of 25p each	13,522	13,522
		27,529	27,529

The 'X' ordinary shares and 'Y' ordinary shares rank pari passu in all respects save that the directors of the company shall be entitled to declare a dividend or otherwise make distributions (including any distributions in kind) with respect to the 'X' ordinary shares to the exclusion of the 'Y' ordinary shares, and vice versa

Securicor Group Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2006

6 RESERVES

	Profit and loss account £000	Capital redemption reserve £000	Share premium £000	Total £000
1 January 2006	17,381	100	298,256	315,737
Retained Profit for the period	1,841	-	-	1,841
31 December 2006	<u>19,222</u>	<u>100</u>	<u>298,256</u>	<u>317,578</u>

7 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	31 December 2006 £000	31 December 2005 £000
Retained profit/(loss) for the period	1,841	(86,439)
Net increase/ (decrease) in shareholders' funds	<u>1,841</u>	<u>(86,439)</u>
Opening equity shareholders' funds	343,266	429,705
Closing equity shareholders' funds	<u>345,107</u>	<u>343,266</u>

8 CONTINGENT LIABILITIES

The company is included in a group registration for VAT purposes and is therefore jointly and severally liable for all other group companies' unpaid debts in this connection. The liability of the UK group registration at 31 December 2006 totalled £18,759,658.

9 ULTIMATE PARENT COMPANY

The ultimate holding company of Securicor Group Limited is G4S plc, a company registered in England and Wales. Copies of the group accounts of G4S plc can be obtained from The Manor, Manor Royal, Crawley, West Sussex, RH10 9UN.

10 AUDITOR'S REMUNERATION

The auditor's remuneration was borne by another group company.