

# Security Services plc

## FINANCIAL STATEMENTS

for the year ended

30 September 2001



# Security Services plc

## DIRECTORS AND OFFICERS

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### DIRECTORS

RSWH Wiggs  
CC Shirtcliffe  
NE Griffiths  
NP Buckles

### SECRETARY

NE Griffiths

### REGISTERED OFFICE

Sutton Park House  
15 Carshalton Road  
Sutton  
Surrey SM1 4LD

### AUDITORS

Baker Tilly  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

# Security Services plc

## DIRECTORS' REPORT

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The directors submit their report and the financial statements of Security Services plc for the year ended 30 September 2001.

### PRINCIPAL ACTIVITIES

The company's principal activity during the year was that of a holding company.

### DIVIDENDS

The directors do not recommend a dividend (2000 : £Nil).

### REVIEW OF THE BUSINESS

The directors consider that the state of the company's affairs at 30 September 2001 was satisfactory and that future results will be of a similar nature.

### MARKET VALUE OF LAND AND BUILDINGS

The directors are of the opinion that the market value of properties is not less than the amount at which they are shown in the accounts.

### DIRECTORS

The following directors held office during the year:

RSWH Wiggs  
CC Shirtcliffe  
PD Howes (resigned 20 August 2001)  
NE Griffiths  
NP Buckles (appointed 20 August 2001)

### DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

None of the directors had a material interest in any contract significant to the company during the financial year.

Directors' interests in the shares of the company including family interests were as follows:

	X Ordinary shares of 25p each		Y Ordinary shares of 25p each		Ordinary shares (non- voting) of 25p each	
	30.9.01	30.9.00	30.9.01	30.9.00	30.9.01	30.9.00
RSWH Wiggs	-	-	-	-	-	-
CC Shirtcliffe	-	-	1	1	-	-
NE Griffiths	-	-	1	1	-	-
NP Buckles	-	-	-	-	-	-

All the directors are also directors of the parent company Securicor plc. Details of their shareholdings and share options in Securicor plc are disclosed in the consolidated financial statements of that company.

# Security Services plc

## DIRECTORS' REPORT

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### AUDITORS

A resolution to re-appoint Baker Tilly, Chartered Accountants, as auditors to the company will be put to the Annual General Meeting.

By order of the board



NE Griffiths  
Secretary

6 December 2001

# Security Services plc

## 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 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 SECURITY SERVICES PLC

We have audited the financial statements on pages 6 to 13.

### **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 2001 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

6 December 2001

Security Services plc  
 PROFIT AND LOSS ACCOUNT  
 for the year ended 30 September 2001

	<i>Notes</i>	2001 £000	2000 £000
Administrative expenses		(215,339)	(736)
OPERATING LOSS		<u>(215,339)</u>	<u>(736)</u>
Investment income	1	56,444	18,628
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST PAYABLE		<u>(158,895)</u>	17,892
Interest payable and similar charges	2	(8,561)	(1,263)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	<u>(167,456)</u>	16,629
Taxation	5	831	(3,303)
RETAINED (LOSS)/PROFIT FOR THE YEAR	12	<u><u>(166,625)</u></u>	<u><u>13,326</u></u>

The operating loss is derived from the company's continuing operations.

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

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.

# Security Services plc

## BALANCE SHEET

30 September 2001

	<i>Notes</i>	2001 £000	2000 £000
<b>FIXED ASSETS</b>			
Tangible assets	6	3,430	3,451
Investments	7	64,722	99,822
		<u>68,152</u>	<u>103,273</u>
<b>CURRENT ASSETS</b>			
Debtors (including debtors due after more than one year £243,481,000 (2000: £204,415,175))	8	373,496	347,100
Investments	9	9	11
Cash at bank and in hand		357	10,902
		<u>373,862</u>	<u>358,013</u>
<b>CREDITORS: Amounts falling due within one year</b>			
Bank overdrafts and short term loans		4,169	-
Other	10	351,949	208,765
		<u>356,118</u>	<u>208,765</u>
<b>NET CURRENT ASSETS</b>		<u>17,744</u>	<u>149,248</u>
<b>NET ASSETS</b>		<u>85,896</u>	<u>252,521</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	27,404	27,404
Share premium account	12	48,381	48,381
Capital redemption reserve	12	100	100
Profit and loss account	12	10,011	176,636
<b>EQUITY SHAREHOLDERS' FUNDS</b>	13	<u>85,896</u>	<u>252,521</u>

Approved by the board on 6 December 2001

  
Director

  
Director

# Security Services plc

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

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

### BASIS OF CONSOLIDATION

Group accounts are not prepared in view of the fact that the company is a wholly owned subsidiary of Securicor plc, which itself prepares consolidated accounts.

### INVESTMENTS

Long term investments in subsidiary and associated undertakings and joint ventures are classified as fixed assets. Short term investments are classified as current assets.

Long term investments are stated at cost. Other investments listed on a recognised stock exchange are valued at the lower of cost and mid-market value at the balance sheet date.

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

### TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Freehold property are depreciated annually at 2% of cost.

Leasehold interests are depreciated annually over the lease term

### 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 have been transferred to reserves.

# Security Services plc

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2001

1	INVESTMENT INCOME	2001 £000	2000 £000
	Dividends from subsidiary companies	45,980	10,250
	Other interest receivable and similar income	10,464	8,378
		56,444	18,628
		56,444	18,628
2	INTEREST PAYABLE	2001 £000	2000 £000
	On bank loans, overdrafts and other loans repayable within 5 years:		
	Bank loans	-	493
	Other loans	8,561	770
		8,561	1,263
		8,561	1,263
3	(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2001 £000	2000 £000
	(Loss)/profit on ordinary activities before taxation is stated after charging:		
	Depreciation and amounts written off tangible fixed assets:		
	charge for the year:		
	owned assets	21	29
	Auditors' remuneration	7	7
	Provision against loan to subsidiaries	179,900	-
	Provision against investments in subsidiaries	35,100	-
		242,128	34
		242,128	34
4	EMPLOYEES		
	The only employees of the company during the year were its directors who received no remuneration from the company. Full details of the directors emoluments from the group are disclosed in the group financial statements of Securicor plc.		
5	TAXATION	2001 £000	2000 £000
	Based on the result for the year:		
	UK corporation tax - charge for year	-	2,653
	- (over)/under provision in prior year	(831)	650
		(831)	3,303
		(831)	3,303

**Security Services plc**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 September 2001**

6	TANGIBLE FIXED ASSETS	<i>Land and Buildings £ 000</i>		
	Cost			
	1 October 2000 and 30 September 2001		3,832	
	Depreciation:			
	1 October 2000		381	
	Charged in the year		21	
	30 September 2001		402	
	Net book value:			
	30 September 2001		3,430	
	30 September 2000		3,451	
		2001	2000	
		£000	£000	
	Land and buildings at net book value comprise:			
	Freeholds	3,031	3,031	
	Long leaseholds	202	202	
	Short leaseholds	197	218	
		3,430	3,451	
7	FIXED ASSET INVESTMENTS	<i>Joint venture £000</i>	<i>Subsidiary undertakings £000</i>	<i>Total £000</i>
	Cost or valuation:			
	1 October 2000 and 30 September 2001	44,793	55,029	99,822
	Amounts written off:			
	1 October 2000	-	-	-
	Charged in the year	-	35,100	35,100
	30 September 2001	-	35,100	35,100
	Net book value:			
	30 September 2001	44,793	19,929	64,722
	30 September 2000	44,793	55,029	99,822

**Security Services plc**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 September 2001**

**7 FIXED ASSET INVESTMENTS (continued)**

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

Subsidiary undertakings	Country of registration/ incorporation	Class of holding	Proportion directly held	Nature of business
Securicor International Ltd	England	Ordinary	100%	Holding company
Securicor Communications Ltd	England	Ordinary	100%	Holding company
Securicor Security Services Ltd	England	Ordinary	100%	Holding company
Securicor Management Services Ltd	England	Ordinary	100%	Management company
Securicor eSolutions Ltd	England	Ordinary	100%	Trading
<b>Joint Ventures</b>				
Securicor Omega Holdings Ltd	England	Ordinary	50%	Holding company

All the above companies have co-terminus year ends.

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 since it is a subsidiary undertaking of Securicor plc, a company registered in England and Wales, and is included in that company's consolidated accounts.

8 DEBTORS	2001 £000	2000 £000
Amounts owed by group undertakings	373,153	345,121
Amounts owed by related parties	141	-
Other debtors	202	1,979
	<u>373,496</u>	<u>347,100</u>

Included in amounts owed by group undertakings is £243,481,000 (2000: £204,415,175) representing loan accounts due after more than one year.

9 CURRENT ASSET INVESTMENTS	2001 £000	2000 £000
At cost – listed	9	11
	<u>9</u>	<u>11</u>

The market value of the listed investments shown at cost are £224,000.

# Security Services plc

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2001

10	CREDITORS: Amounts falling due within one year	2001 £000	2000 £000
	Amounts owed to group undertakings	349,106	204,451
	Corporation tax	2,740	4,235
	Other tax and social security	10	-
	Other creditors	93	79
		<u>351,949</u>	<u>208,765</u>

11	SHARE CAPITAL	2001		2000	
		Authorised £	Issued and fully paid £	Authorised £	Issued and fully paid £
	X Ordinary shares of 25p each	13,907,309	13,907,309	13,907,309	13,907,309
	Ordinary shares (non-voting) of 25p each	2,496,022	-	2,496,022	-
	Y Ordinary shares of 25p each	13,496,669	13,496,669	13,496,669	13,496,669
		<u>29,900,000</u>	<u>27,403,978</u>	<u>29,900,000</u>	<u>27,403,978</u>

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.

12	RESERVES	Profit and loss account £000	Capital redemption reserve £000	Share premium £000	Total £000
	1 October 2000	176,636	100	48,381	225,117
	Loss for the year	(166,625)	-	-	(166,625)
	30 September 2001	<u>10,011</u>	<u>100</u>	<u>48,381</u>	<u>58,492</u>

Security Services plc  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 September 2001

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13	RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS	2001 £000	2000 £000
	(Loss)/profit after taxation	(166,625)	13,326
	Net (decrease)/increase in shareholders' funds	<u>(166,625)</u>	<u>13,326</u>
	Opening equity shareholders' funds	252,521	239,195
	Closing equity shareholders' funds	<u>85,896</u>	<u>252,521</u>

14 ULTIMATE PARENT COMPANY

The ultimate holding company of Security Services plc is Securicor plc, a company 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.

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.