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Companies House regrets that the microfiche record for this company contain some documents which are illegible.

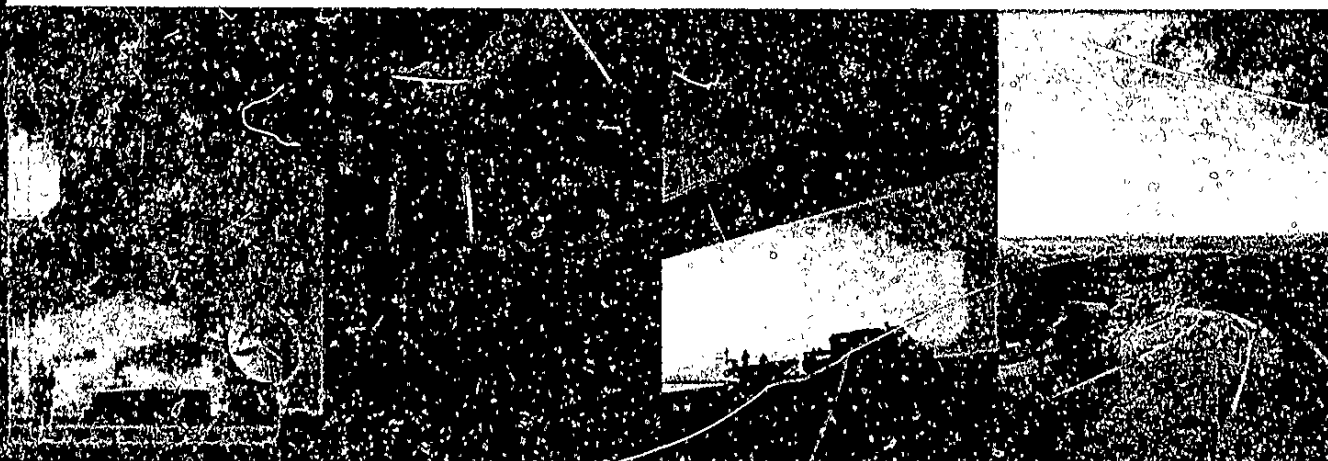
This has been noted but unfortunately steps taken to improve them were unsuccessful.

Companies House would like to apologise for any inconvenience this may cause.

COMPANY INFORMATION SUPPLIED BY COMPANIES HOUSE

Companies House is a registry of company information. We carry out basic checks to make sure that documents have been fully completed and signed, but we do not have the statutory power or capability to verify the accuracy of the information that companies send to us. We accept all information that companies deliver to us in good faith and place it on the public record. The fact that the information has been placed on the public record should not be taken to indicate that Companies House has verified or validated it in any way.

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security services plc
annual report and accounts 1992

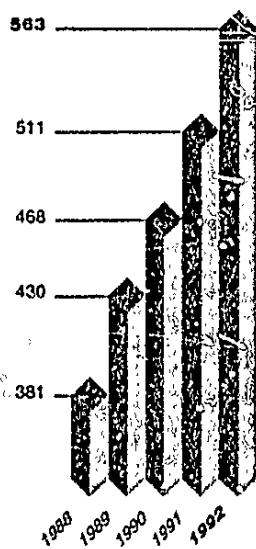
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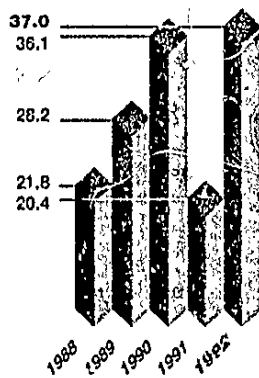
Securicor aims to provide customers with top quality yet cost-effective service through its ability to respond and adapt to changing customer needs and new technologies. It is committed to the consistent development and improvement of its core businesses – **Security Services, Parcels and Communications** – in the United Kingdom and, increasingly, in Europe and other world markets.

“Opportunities for our group businesses in the rest of this decade are both exciting and challenging.”

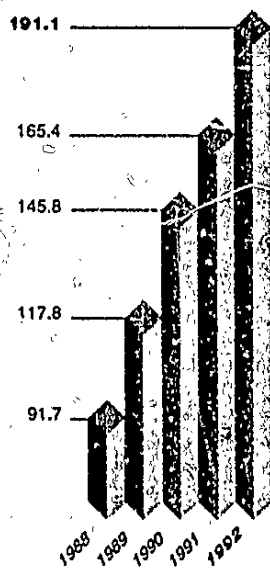
Financial Highlights



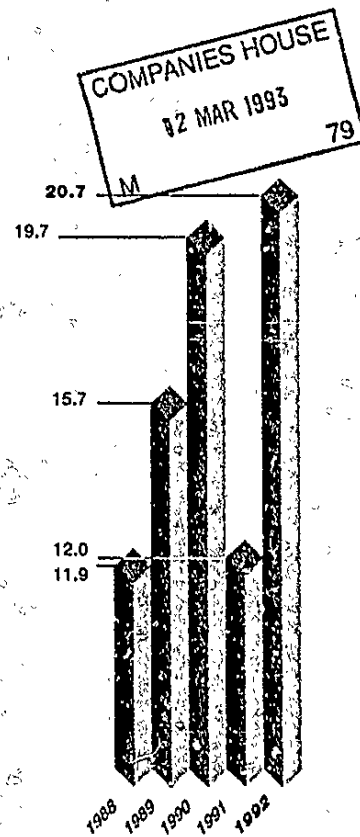
Turnover
£ million



Profit before taxation
£ million



Fixed assets
£ million



Earnings per
ordinary share pence

Chairman's Statement

"We continue to place great emphasis on cost containment and operational efficiency."



Results

Group profits for the year to 30 September 1992 amounted to £37.0m before tax, compared to £20.4m for the previous year. These encouraging results reflect an increase in the contribution from our managed businesses of £6.4m compared to a loss of £0.9m in the previous year and an increase in our 27% share of the Cellnet profits from £21.3m in 1991 to £30.6m.

There was no general economic recovery during the year. Trading conditions remained extremely tough. Despite this background, each of our four divisions significantly improved its trading performance. The losses from our Communications division, which comprises a number of businesses in different stages of development and from which we exclude Cellnet, reduced markedly. We were pleased to welcome Dr Ed Hough in June 1992 as Chief Executive of the division. Our parcels operation, Securicor Omega Express, received a major boost through the acquisition in May of the United Kingdom customer base of Federal Express. Our joint venture with Jardine in the Asia Pacific region has enjoyed continued success and Indonesia has now been added to the list of territories in which Jardine Securicor operates.

We continue to place great emphasis on cost containment and operational efficiency. Our staff understand the particular importance of demonstrating dedication to the fulfilment of our customers' requirements in the current economic climate and have determinedly striven for excellence in all they have done. Sincere thanks are due to the Chief Executive, Roger Wiggs, and to all our employees for their unremitting efforts to that end during the year.

Dividends

The directors will be recommending an increase of 12% in the dividend per ordinary share for the year to 30 September 1992. The final dividend would thus amount to 3.636p per share, an interim dividend of 1.394p per share having been paid in September.

Group board changes

As I announced with regret last year, both Eric Hollis and John Delaney retired from the board after the last Annual General Meeting.

Special tributes

Each year, I pay tribute to acts of outstanding courage displayed by our security staff in the performance of their duties. During the year, Securicor made 60 awards to staff and 35 to members of the public. The Securicor Bravery Medal was presented to 14 employees and the Meritorious Conduct Medal to eight.

Tragically, three members of our overseas staff were fatally wounded during the year in bandit attacks: Messrs Ngah Hanzah Ngah Osman (Malaysia) and Constantine Wambugu Wang'endu (Kenya) whilst on cash-in-transit duties, and Mr Sun Si un (Macau) whilst on static guarding duties. We send our deepest sympathy to their families.

I am delighted to report that Sir Neil Macfarlane was appointed to the board as a non executive director in January 1993. Sir Neil brings with him the proven acumen gained over 18 years in politics, during which time he served as Member of Parliament for Sutton and Cheam and occupied a number of ministerial posts. He is a non-executive director of two other international companies and his experience and breadth of vision will clearly be invaluable to us.

It is my expectation to be announcing in the near future the appointment of at least one further non-executive director.

Future prospects

Last year, in announcing a fall in profits for the first time since I became Chairman in 1974, I said that we were nevertheless well placed to make real and steady progress when economies improved. I am thus particularly pleased to report a substantial profit improvement despite no such general economic uplift in the year. Our core business areas of security, parcels and communications clearly fulfil a well established market need with potential for further growth when the commercial climate improves. While, as yet, the signs of general economic revival remain uncertain, I can only express cautious optimism in predicting our continued progress in the current year.



Peter Smith OBE
Chairman

Chief Executive's Review

"I am determined that Securicor should at all times maximise its trading potential..."



In last year's report I reviewed the strategic direction of the group and outlined some of the opportunities open to us in our core business activities of security, parcels distribution and communications. It is an encouraging indication of the strength and resilience of these businesses that they were able to advance so positively last year in spite of the difficult economic conditions.

During the last 12 months we have, I believe, significantly improved the quality of the senior management teams which will lead us until the end of the century. Whilst this has been achieved partly by a number of new appointments to what we identified as key strategic areas, I have regarded it as crucial to concentrate on developing our existing management. We have always been blessed at Securicor with an extremely loyal core of senior staff who have been the backbone of our progress over the years. Many senior managers sit on the boards of companies within the group. We have recently embarked on a programme of training for all our United Kingdom directors which, once completed, will enable them to acquire the Diploma in Company Direction issued by the Institute of Directors. The decision to pursue this training course was taken following a senior management conference which we held at Cambridge last April, when we looked specifically at our divisional objectives for the medium term and at the management qualities needed to achieve them.

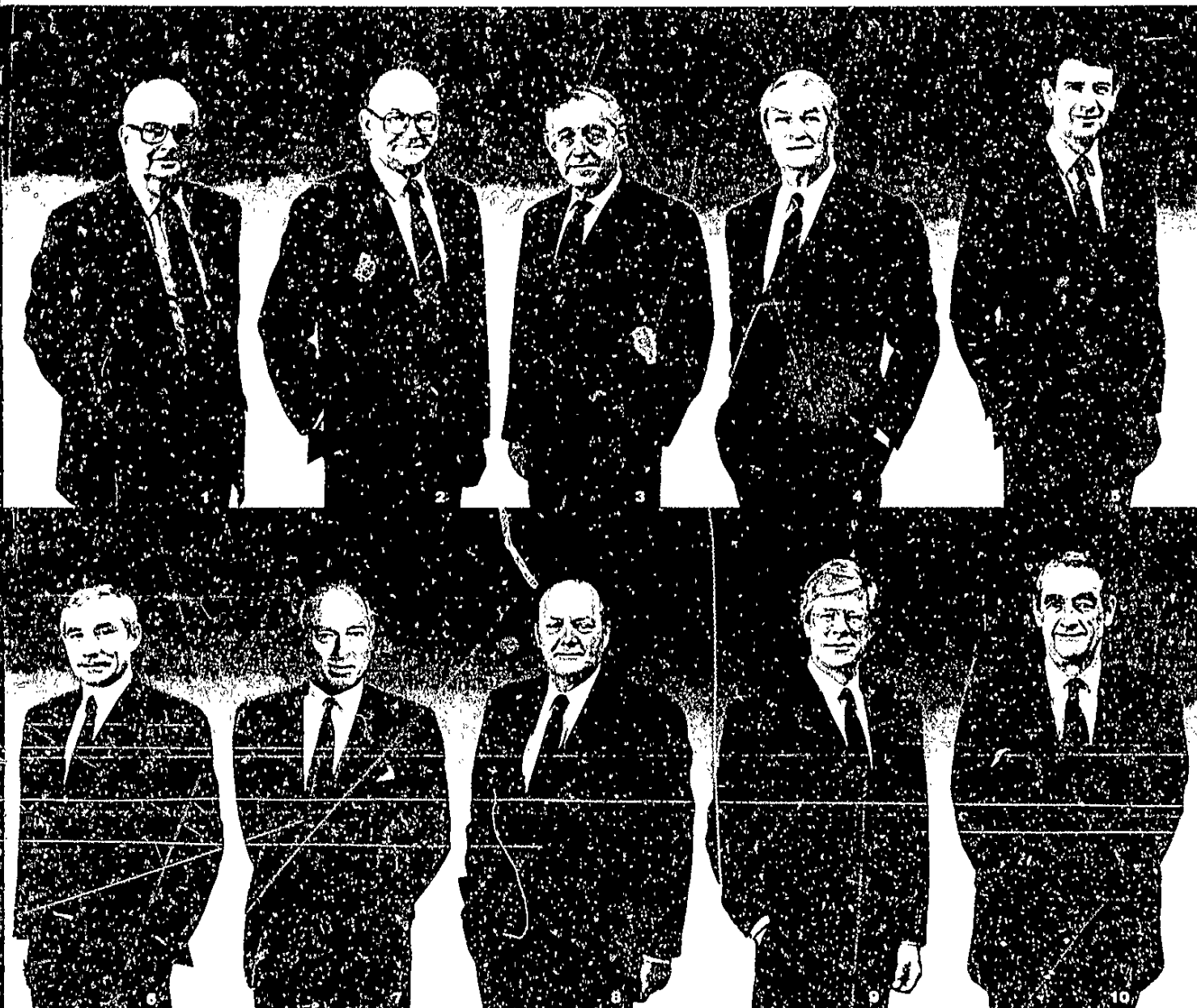
In the last few months we have fully reviewed our business plans, both for the short and medium term. I am particularly concerned to ensure that we earn a good rate of return both from our existing activities and from the expansion opportunities before us. This consideration, with the improvement in shareholder value which it will bring, has been fundamental in the production of those plans.

I am determined that Securicor should at all times maximise its trading potential even though I cannot see any magic end to the recession. In achieving this aim, quality of management is absolutely vital. Allied to a sound understanding of the strategic direction of our core businesses, it will enable us to prosper.



Roger Wiggs
Chief Executive

Directors and Officers



Executive Directors

Roger Wiggs, 59, Group Chief Executive. Appointed to board 1977. (2)

Nigel Griffiths, LLB, 46, Company Secretary. Appointed to board 1990. (5)

Pat Howes, 51, Chief Executive, Parcels division. Appointed to board 1991. (6)

Henry McKay, 53, Chief Executive, Security Services division. Appointed to board 1984. (8)

Christopher Shirlcliffe, FCA, 48, Group Financial Director. Appointed to board 1985. (9)

Non-Executive Directors

Peter Smith, OBE, 72, Chairman. Appointed to board 1966. Chairman and Chief Executive 1974. Retired from executive duties 1985. Member of Council of British Security Industry Association and of Council of Royal Warrant Holders Association. (1)

AV Alexander, CBE, 64. Appointed to board 1977. Honorary Vice-President of British Insurance Brokers Association. (3)

Richard Graves, 64, Deputy Chairman. Appointed to board 1986. Deputy Chairman 1988. Retired from executive duties 1991. (4)

Sir Neil MacFarlane, 56. Appointed to board 1993. Member of Parliament for Sullon and Cheam, 1974-92. Non-executive director of RMC plc, Zellers International Pools Limited and Bradford & Bingley Building Society. (7)

Peter Towle, 69. Appointed to board 1977. Chief Executive 1985-88. Non-executive director of Serco Group plc. (10)

Group Profile

securicor security services

Securicor Cash Services
Securicor Guarding
Securicor Alarms
Securicor Custodial Services
Securicor Cleaning



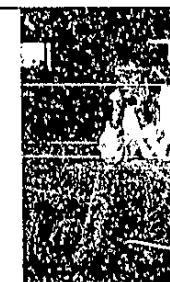
securicor parcels

Securicor Omega Express
Securicor Mail Services
Securicor Pony Express
Securicor Chauffeur Drive



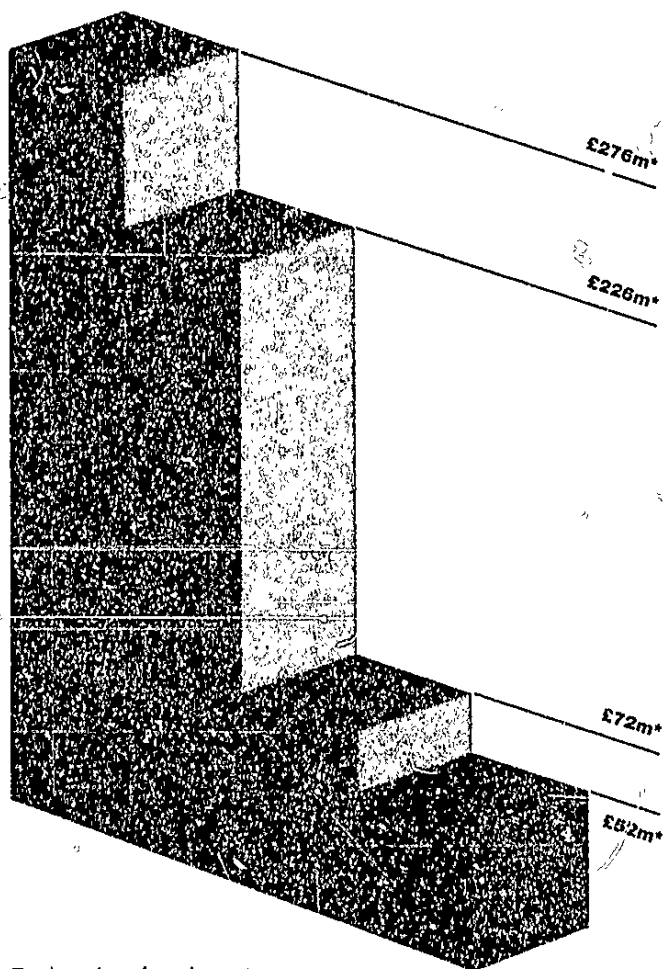
securicor communications

Securicor Cellular Services
Securicor Electronics
Securicor PMR Systems
Securicor Datatrak
Securicor Telecoms
Linear Modulation Technology



securicor business services

Securicor Vehicle Services



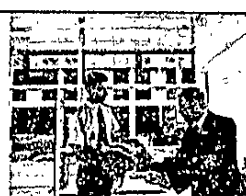
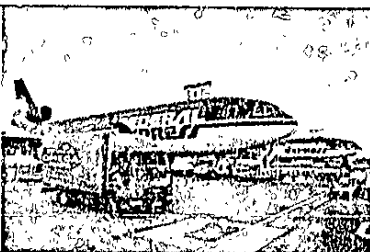
Total number of employees:
 Security Services 31,900
 Parcels 7,700
 Communications 600
 Business Services 600

UK 21,400
 Overseas 19,400
 Total = 40,800

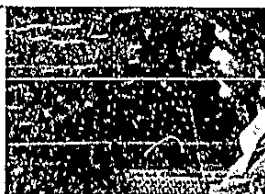
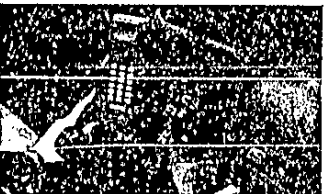
Total turnover: £626m*
 *Includes inter-company turnover



Transport and care of cash and valuables, guarding, alarm systems, cleaning services – both UK and overseas.



UK and continental same day and timed delivery services, warehousing and distribution, specialist chauffeur services.



Cellular retailing, private mobile radio systems, vehicle location and fleet management system, office telephone equipment, electronic design and manufacture.



Fleet management and servicing.

International Profile

"We intend to secure a significant share in our chosen international markets."

Europe

Belgium, France, Germany, Guernsey, Holland, Hungary, Ireland, Isle of Man, Jersey, Luxembourg, Russia, United Kingdom.



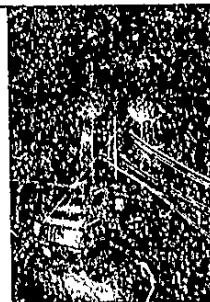
Asia Pacific

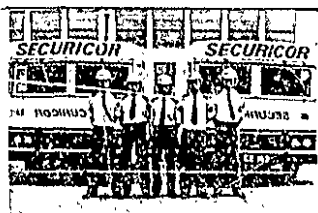
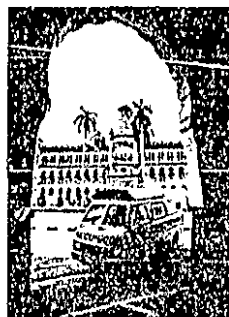
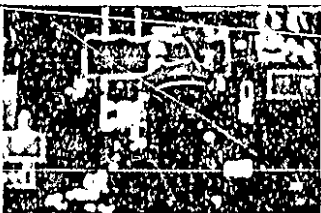
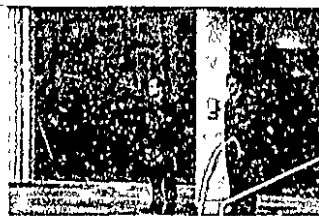
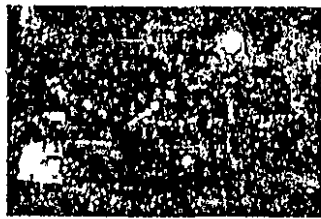
Hong Kong, Indonesia, Macau, Malaysia, Thailand.



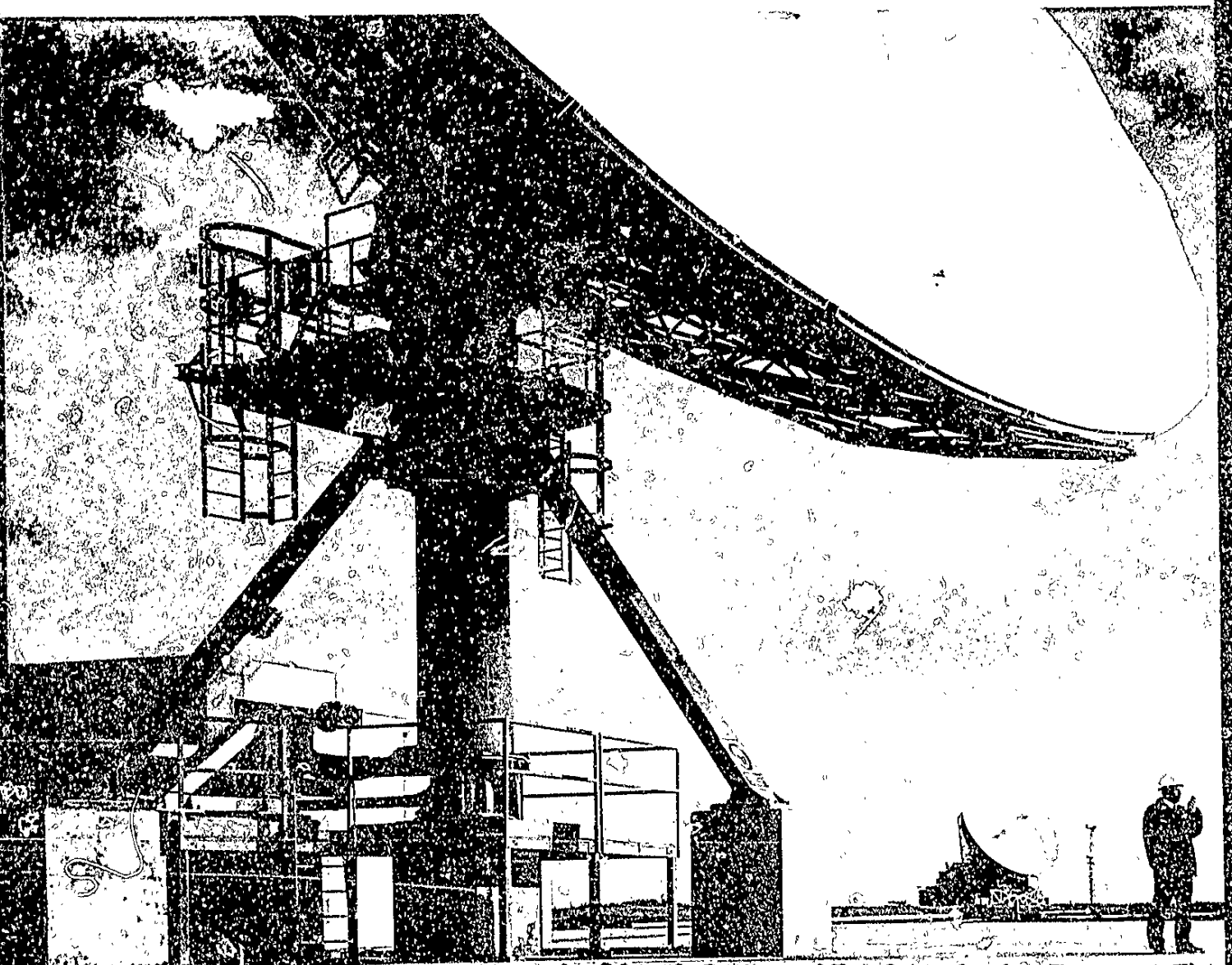
Rest of world

Kenya, Kuwait, Malawi, Trinidad, Venezuela, Zambia.



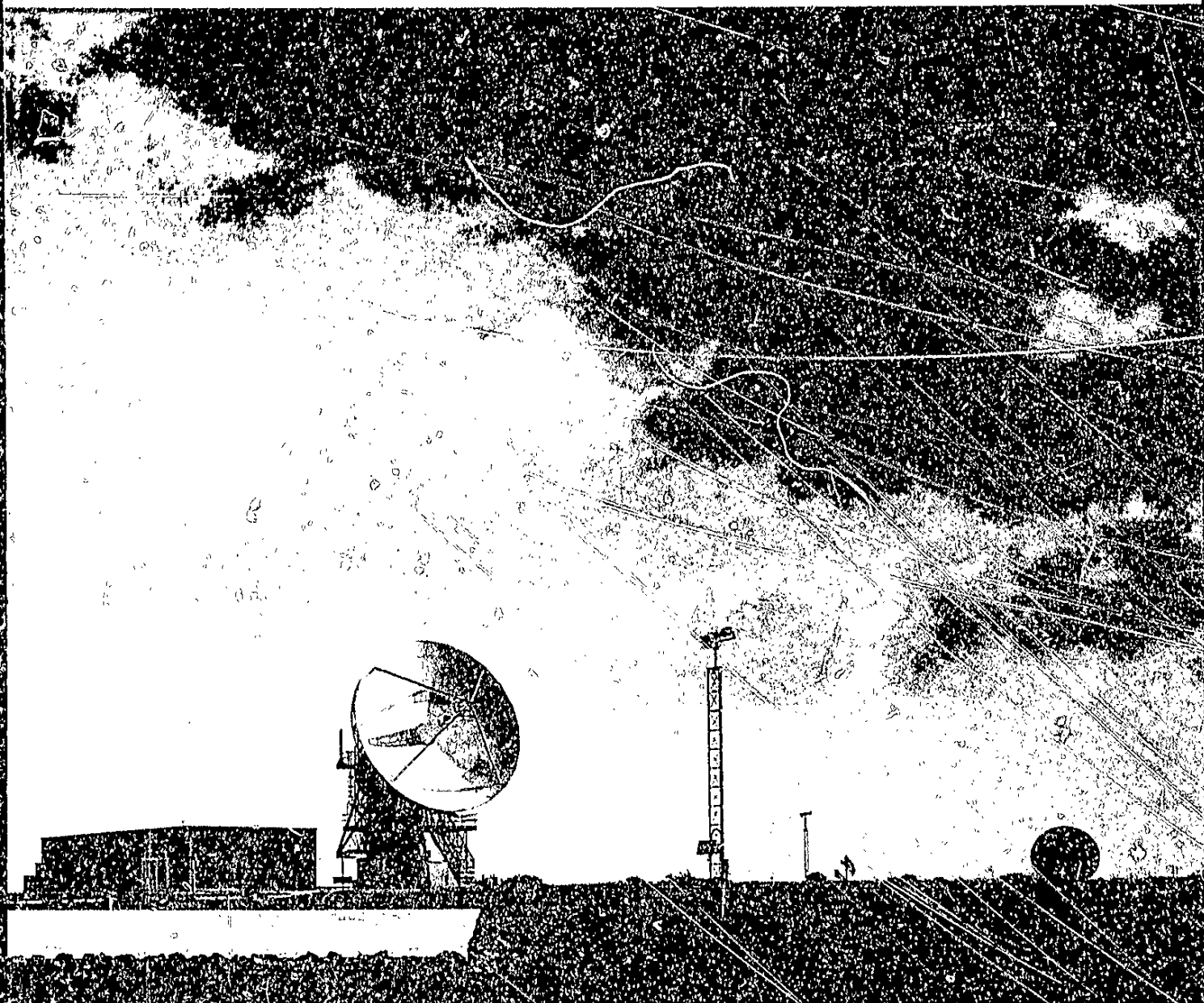


Operating Review



door security services

Crash services
Guarding
Alarm
Cleaning
Custom services



"We recently changed our guiding
route completely. America's
response was fantastic - they
adapted quickly to our changes
and have adapted their operation
to meet these requirements. It's
very professional manner."

BT

"We will maintain our position as a market leader by consistently delivering a first class quality service."



Henry McKay
Chief Executive
Securicor Security Services

This division comprises the security operations of the group. These provide customers with the optimum combination of technology and manpower to meet their individual requirements.

Despite recessionary pressures, **Cash Services** enjoyed a much improved year, continuing to dominate the cash in-transit market and signing important new contracts with leading banking groups. Over £100 billion of cash was carried by the fleet of 1,800 vehicles. A single supplier agreement was signed with Trustee Savings Bank for cash distribution and trial deliveries of foreign bank notes.

The replenishment and maintenance of cash dispensing machines continues to be an expanding venture. Pressure on the banks to reduce costs has led to increased emphasis on the need for flexibility in the operation to provide just in time distribution services.

Securicor Guarding, formed from the guarding activities previously carried out by Securicor Limited and Mint Security, concentrated on offering a high quality service and a proactive approach to the changing needs of its customers. Major contracts were gained with British Steel and British Telecom. The company's handling of security at the Conservative and Labour Party Conferences was once again a tremendous success.

In common with the rest of the alarms industry, **Securicor Alarms** had a difficult year. Rigorous attention was paid to control of costs. A new management team was established and a widened range of security products has been included in the company's portfolio.

Securicor Cleaning continues to provide a quality range of services in a very competitive marketplace. A contract to clean military vehicles returning home from active duty in the Gulf was successfully undertaken.

Securicor Custodial Services continues to develop its capability to support the government in respect of the contracting out of Home Office operations. Major opportunities are expected in the management of prisons and the escorting of prisoners to and from courts.

Europe

France celebrated its twentieth anniversary of operations in September 1992. Important guarding contracts were signed with Aluminium Dunkerque, the world's most modern aluminium works, and Transmanche Construction at the French end of the Channel Tunnel. There was good growth in alarm monitoring in **Holland** and a major multi-site assignment was started in Rotterdam, combining manned security with electronic surveillance. Geographical expansion continued in **Hungary** which now trades through

seven branches. **Ireland** underwent a major management restructuring which will improve future prospects. In **Russia**, a joint venture with both Russian and Finnish partners was set up and began trading in St. Petersburg. **Jersey** began a passenger search contract at Jersey Airport, whilst the **Isle of Man** retained its airport search contract for a further five years.

Asia Pacific

The joint venture operation with Jardine Pacific had an excellent year, the star performer being the **Hong Kong** cash-in-transit company, whilst there were substantial profit increases in **Macau** and in **Malaysia**. The joint venture expanded into **Indonesia**. The **Thailand** company was awarded the contract for providing security systems for Gemopolis, a gems and jewellery project on a 170 acre site near Bangkok.

Rest of world


The operations in **Kenya**, **Malawi**, and **Zambia**, which together employ more than 16,000 staff, continued to perform strongly, although affected by adverse foreign exchange conversions.

The joint venture company in **Kuwait** continued its good recovery after the Gulf War. The cash-in-transit service expanded into replenishment of cash dispensing machines.

Trinidad produced a record profit. In **Venezuela**, a major national contract was won by Vicasa Securicor for coin collection and processing.

Operating Review

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"Our market share has been further extended following the acquisition of the Federal Express business."



Pat Howes
Chief Executive
Securicor Parcels

Securicor Parcels comprises **Securicor Omega Express** - Britain's largest overnight parcels carrier, **Securicor Pony Express** - a major courier company specialising in same day deliveries, and **Network Europe** which handles Securicor's international cross-border business.

The highlight of the year for Securicor Omega Express was the purchase in May of the United Kingdom domestic customer base of Federal Express. This acquisition assisted the company in increasing its share of the domestic parcels market from 12% to 15%. At the same time, it became the sole United Kingdom contractor for the international business of Federal Express outside the M25 area.

Network development continued with the opening of major new premises in South Wales (Nantgarw) to cope with the increased volume of parcels.

The company extended its range of services by introducing Omega 12 - a document pack for delivery by 12 noon next day.

Securicor Omega Express increased its dominance in the leisure industries market. In the financial sector, important new national contracts were signed during the year with Nationwide Building Society and Trustee Savings Bank.

Financial institutions are also a prime market for **Securicor Pony Express** which enjoyed increased business and became the preferred courier service for Lloyds Bank.

To handle increased demand, Securicor Pony Express has moved to larger premises in many areas and new branches were opened in Newcastle upon Tyne and Preston. The Auto Parts Express business has now been merged with the Pony Express operation and the company has its head office in new premises in Worthing, with expanded customer service facilities.

The successful **Pony Shuttle** service was extended to provide same day deliveries between many cities in the United Kingdom. Securicor Pony Express now sells a comprehensive range of courier and parcel services to the non-contracted and small business market, working closely with Securicor Omega Express.

The **Chauffeur Drive** service continued to attract business from both public and private sectors.

The division's **Mail Services** operation, which collects, sorts and franks international mail before it is passed to Royal Mail International, enjoyed profitable business.

With the imminent advent of the Single Market and in the light of changes in the European parcels market, a review of the international parcels strategy was undertaken. A new general manager was appointed for European parcels operations. The focus for Europe will now be through agreements with sub-contractors to provide **Network Europe**, offering 24, 48 or 72 hour services throughout the continent.



secuncor communications

- Cellular retailing
- Office telephone equipment
- Datatrak vehicle location system
- Private mobile radio
- Manufacture of electronic equipment



"It's no exaggeration to say that Securitor DataTrak has reduced our response times in handling all emergency calls. It's an invaluable addition to our fleet."

Gloucester, MA Ambulance
Service

"The subscriber bases for both Cellular Services and Datatrak have shown a significant increase during the year."



Dr Ed Hough
Chief Executive
Securicor Communications

The Securicor Communications division continues to establish itself as a leading supplier of telecommunications networks and services.

Securicor Cellular Services has progressed rapidly following the appointment of a new managing director and strengthening of the management team. Its Cellnet subscriber base increased by 28% to 68,000 at the year end. The company now has the second largest number of subscribers to the Cellnet network. There was continuing emphasis on the quality of subscribers both in terms of credit worthiness and level of usage.

As well as providing mobile telephones, the division also supplies office-based telephone key systems and PABXs (switchboards) through **Securicor Telecoms** which operates from Manchester. The Rhapsody Rio system was launched in the United Kingdom and is already gaining market share.

Further investment was made in the advanced fleet management and vehicle location system **Securicor Datatrak**. During the year the world's first fully integrated command and information system was designed and brought to the market by the company. The geographical range was also expanded and the service now covers 98% of the United Kingdom population.

Securicor PMR Systems had a successful year with a major sale to Heathrow Airport to provide trunked mobile radio to all ground staff on the site. A number of negotiations were started with major utilities which should lead to profitable business in 1993.

A significant opportunity has been given to the division with the introduction by **Linear Modulation Technology** of a narrow band technology which increases the capacity of the radio spectrum. The product is at final trials stage with a number of organisations whilst awaiting approval from government authorities.

The electronic assembly facility at **Securicor Electronics** continued to perform well, providing a manufacturing service to the group and increasingly to external customers.

1992 was a year of tremendous progress for the mobile telephone industry, with Cellnet leading the sector in a consumer market initiative to liberate new growth in mobile communications.

Since the service started in 1985, mobile phones have been used predominantly by people in business. Cellnet is committed to this market with continued growth and particular successes such as Callback* which has substantially increased call revenue from the 90,000 users who have opted for this new messaging service. However, with the business market maturing, Cellnet targeted new growth through the development of completely fresh markets.

In June 1992, following extensive research that confirmed huge demand among consumers, Cellnet announced 'Lifetime'† for people wanting a mobile phone for occasional use only. The new service would complement 'Primetime'‡, Cellnet's business tariff for more frequent users.

For any customer, the quality of service is important. Coverage of the Cellnet network for earphones already extends to 98% of the United Kingdom population. Now, a unique development programme utilising over 200 compact base stations, to be completed in 1993, will greatly extend coverage and capacity for the handportable phones that today account for three quarters of all new sales.

Cellnet is also well advanced with plans to launch a new digital service based on the European Standard, GSM (Global System for Mobile Communications) with a regional service for business customers. There is also the prospect of international roaming services providing new opportunities for business. Cellnet has installed well over 100 digital base stations rising to more than 350 in 1993, providing coverage to over half the United Kingdom population.

Cellnet's actions in the market, supported by continued investment in network development, innovative pricing and services, underpin the company's strong competitive growth for the future, helping it to fulfil its mission to be first choice in the provision of cellular communications services.

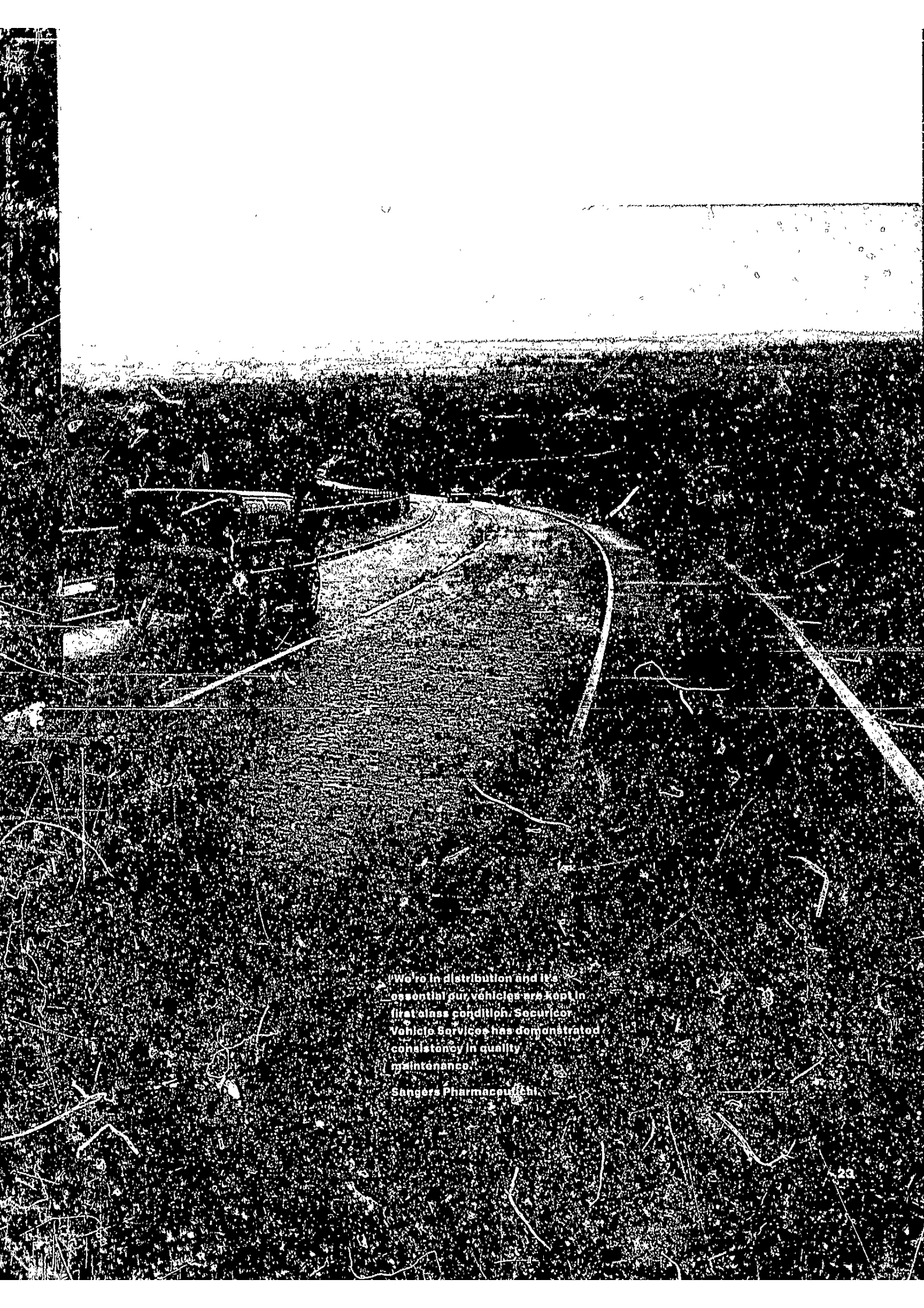
***Callback is provided by Cellnet Solutions Limited, a subsidiary within the Cellnet group of companies.**





securicor business services

Vehicle fleet management and servicing



"We're in distribution and it's essential our vehicles are kept in first class condition. Securicor Vehicle Services has demonstrated consistency in quality maintenance."

Sangre Pharmaceuticals

"We have focused on improving efficiency whilst developing business with our external customers."



Chris Shirtscliffe
Chief Executive
Securicor Business Services

Securicor Vehicle Services specialises in fleet management.

The company's primary function is to supply and maintain the 1,000 Securicor vehicles, for which a substantial reduction in costs was achieved during the year. A new management structure was introduced at the 94 workshops, accompanied by standardisation of operating procedures and introduction of new maintenance times and targets. These and other changes are resulting in increased productivity and greater management accountability. Continuing progress was made in streamlining administration and in reducing the cost of holding spare parts stocks.

The other function of Securicor Vehicle Services is to service the external fleet market, where it offers a dependable and cost-effective maintenance and repair service to the transport industry. Over 3,000 external vehicles were maintained during the year. Good progress was made in entering new market sectors, especially in servicing vehicles for the Ministry of Defence, Health Authorities and Hospital Trusts. The government's intention to sub-contract work to the private sector will provide substantial opportunities for the future.

During recession it is essential to maintain quality of investment in readiness for recovery. For Securicor this means that sufficient new vehicles are purchased to ensure a high quality and reliable fleet, and that there is continued emphasis on training – as evidenced by the company's consistent support of the vehicle mechanics apprenticeship scheme.

Securicor and the Community

Securicor has a tradition of close involvement in the communities in which it operates. In 1992 we announced a major programme for the National Children's Home. Staff throughout the United Kingdom are taking part in a variety of activities which will reach their climax in the summer of 1993.

During the last year, besides our traditional support for the Multiple Sclerosis Society, many initiatives took place as staff expressed their natural enthusiasm for fund raising. For example, our Banking Support Services counted over £100,000 in coins over an eight-hour period for the 1992 BBC Children in Need Appeal; at the Richmond Hill Hotel, in conjunction with the Variety Club, we hosted a lunch for 160 under privileged children; and in the South West staff raised £1,200 from a 950 mile cycle ride from Land's End to John O'Groats.

Staff and former employees are involved in community projects ranging from Neighbourhood Watch Schemes to school governorships. The group has set aside a specific budget to support community activities.



Report of the Directors *for the year ended 30 September 1992*

The directors have pleasure in presenting their annual report together with the audited accounts of the company for the year ended 30 September 1992.

1 Principal activities of the group

Security Services plc is a parent company.

The principal activities of its subsidiary and associated undertakings, carried out both in the United Kingdom and internationally, include express parcels, document delivery and mail services; the transportation and care of cash and valuables; cash processing; security guards and patrols; vehicle fleet servicing; the sale, installation and maintenance of communications products, electronic surveillance and alarm systems; mobile communications and the provision of communications systems networks.

2 Group results

The consolidated profit for the year and the appropriation thereof are shown in the consolidated profit and loss account on page 32.

A review of business activities during the year, future developments and prospects of the group are contained in the Chairman's Statement on pages 2 and 3, the Chief Executive's Review on page 4, and the Operating Review on pages 10 to 24.

3 Dividends

The directors have declared or now propose the following net dividends for the year:

Preference

- Cumulative preference dividend of 3.15p per share for the year ended 31 August 1992.

Ordinary

- Interim dividend of 1.394p per stock unit paid on 25 September 1992.

- Final dividend of 3.636p per stock unit payable on 5 April 1993.

4 Business acquisitions and disposals

In February 1992 the company disposed of its 25% interest in Band Three, the private trunked radio network.

In February 1992 Securicor Security Services Limited entered into a joint venture agreement to form a security company in St Petersburg called Securicor Okhrana St Petersburg Limited. The new company, in which Securicor has a 32% interest, commenced trading on 1 June 1992.

In March 1992 Securicor's Asia Pacific joint venture with Jardine Pacific signed a technical assistance agreement with an Indonesian company, PT Casintrans Perdana, under which the company carries out security services in Indonesia under the Securicor name.

In May 1992 Securicor Omega Express Limited acquired the United Kingdom domestic parcels customer base and selected assets of Federal Express Europe, Inc.

In furtherance of the Network Europe strategy for the Parcels division, sale took place of the domestic parcels companies in the Benelux countries: Transports Schmit (Luxembourg) in May 1992; Securicor Omega Express NV (Belgium) in September 1992; and Securicor Express Sneltransporten BV and Securicor Express Transport BV (Holland) in December 1992.

5 Capital

The authorised and issued share capital of the company at 30 September 1992 is set out on page 45 (note 19 to the accounts).

Shareholders are invited to renew the directors' general authority to enable them to allot shares wholly for cash other than to existing shareholders, such allotment being limited to 5% of the issued equity securities of the company, namely £1,170,199 in nominal value.

Although there is no present intention to allot shares, the directors consider that in order to retain some flexibility the renewal of this authority, which is in accordance with the guidelines issued by the London Stock Exchange, is in the best interest of the company. Accordingly, the appropriate resolution, stated in similar terms to that approved by shareholders last year, is included in the notice of the Annual General Meeting on page 52.

6 Tangible fixed assets

During the year under review tangible fixed assets increased by £16,392,000 to £147,337,000. The movement of fixed assets during the year is shown on page 40 (note 11 to the accounts).

7 Market value of interests in land and buildings

The most recent valuation of the group's freehold and long leasehold properties located in the United Kingdom, Channel Islands, Isle of Man and Ireland was carried out as at 30 September 1990. The directors are of the opinion that the current aggregate value of group properties is not less than the amount at which they are shown in the accounts.

8 Research and development expenditure

Research in connection with the development of new services and products and the improvement of those currently provided by the group is carried out continuously. Research expenditure is written off during the year in which it is incurred. Development expenditure is dealt with in accordance with the accounting policy stated in note 4 on page 31.

9 Employee involvement

The group keeps employees informed on a regular basis of current activities, progress and general matters of interest by various methods including:

- (a) the holding of regular regional and branch meetings;
- (b) the use of video recorders and monitors as an enhanced means of corporate communication and training which involves the active participation of employees at branch level;
- (c) the circulation on an individual basis of an annual Report to Employees and of the group's regular in-house magazine, the 'Securicor Guardian'.

Disabled persons

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

10 Political and charitable contributions

The group remains committed to support of charities, the community, job creation and training, local development, the arts, sport and music. Cash contributions during the year amounted to £154,000.

There were no political contributions.

11 Taxation status

The company is not a close company as defined by the Income and Corporation Taxes Act 1988.

12 Substantial holdings

The directors have been notified of the following substantial shareholdings in the ordinary capital of the company.

- (i) Securicor Group plc
55,629,235 ordinary stock units (50.75%)
- (ii) Provident Mutual Life Assurance Association
9,603,764 ordinary stock units (8.8%)

13 Auditors

A resolution to re-appoint Baker Tilly (which now incorporates Milne Ross), chartered accountants, as auditors to the company and for their remuneration to be fixed by the directors will be submitted to the Annual General Meeting.

14 Directors

The directors listed on page 5 have, with the exception of Sir Neil Macfarlane who was appointed on 7 January 1993, held office throughout the year ended 30 September 1992. Sir Neil Macfarlane retires in accordance with the Articles of Association and, being eligible, offers himself for election.

The directors retiring by rotation are Mr A V Alexander, Mr Nigel Griffiths and Mr Henry McKay who, being eligible, offer themselves for re-election. The contracts of service of Messrs Griffiths and McKay are determinable at three years' notice. Mr Alexander does not have a contract of service.

The company purchases liability insurance covering the directors and officers of the company and its subsidiaries.

Brief details of each of the company's directors are contained on page 5.

Directors' interests in the share capital of the company and the parent company Securicor Group plc at the beginning and end of the financial year were as follows:

Directors' interests

	Security Services plc		Securicor Group plc			
	Ordinary stock units		Ordinary stock units		A Ordinary shares	
	1992	1991	1992	1991	1992	1991
I Beneficial interest						
PAC Smith	18,698	18,698	8,084	8,084	150,704	150,704
AA Alexander	2,843	2,843	11,839	11,839	12,516	12,516
PFH Towle	6,196	6,196	397	397	20,976	2,176
RSWH Wiggs	2,843	2,843	444	444	5,250	5,250
HW McKay	1,018	1,018	507	507	10,134	134
RA Graves	1,117	1,117	1,003	1,003	8,557	13,717
CC Shirecliffe	782	782	1,021	1,021	1,430	1,430
NE Griffiths	400	400	360	360	-	-
PD Howes	400	400	362	362	40	40
II Other interests						
PAC Smith	147,787	147,787	1,098,297	1,098,297	1,785,199	1,787,199
RSWH Wiggs	142,012	142,012	1,075,077	1,075,077	1,673,930	1,673,930
III Executive share options						
RSWH Wiggs					48,500	48,500
HW McKay					6,000	29,000
RA Graves					6,000	6,000
CC Shirecliffe					35,200	35,200
NE Griffiths					9,800	9,800
PD Howes					10,400	10,400
PFH Towle					-	20,000

IV Cumulative participating preference shares

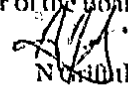
Directors' interests in the cumulative participating preference shares of Securicor Group plc at the beginning and end of the financial year were:

- (i) Beneficial Interests - nil
- (ii) Other Interests - PAC Smith 710 shares; RSWH Wiggs 710 shares.

The above tables comply with the requirements of the Companies Act 1985 and the London Stock Exchange and, in consequence, certain holdings have been duplicated. No material changes in these holdings have taken place since 30 September 1992.

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

Sutton Park House
15 Carshalton Road
Sutton
Surrey SM1 4LD
1 March 1993

By Order of the Board

NE Griffiths
Secretary

Analysis of Shareholdings at 12 January 1993

Ordinary stock units **Holdings**

1-1,000
1,001-5,000
5,001-10,000
10,001-50,000
50,001 and above

Shareholders	Shares held
399	340,524
521	1,280,745
130	918,051
146	3,222,127
88	103,854,464
1,284	109,615,911

Analysis of shareholders

Individuals
Others

Shareholders	Shares %
944	3.49
340	96.51
1,284	100.00

Statement of Accounting Policies

1 Basis of consolidation

The consolidated accounts incorporate the accounts of Security Services plc, its subsidiary undertakings and the group's share of profits and reserves of its associated undertakings for the year ended 30 September 1992.

The results of associated undertakings having financial year ends which differ from that of the group are based on the last audited accounts and management accounts for the period to 30 September 1992. The principal associated undertaking with a different accounting date is Cellnet Group Limited ("Cellnet") whose year end is 31 March.

Associated undertakings are accounted for at profit before tax. Interest incurred or received by associated undertakings is not separately disclosed.

The accounts are prepared on the historical cost basis, other than certain freehold and leasehold properties which are included in the accounts at valuation (note 11 to the accounts). The accounts have also been prepared in accordance with applicable accounting standards.

The results of subsidiary undertakings acquired or sold during the year are included as from or up to their effective dates of acquisition or disposal.

2 Turnover

Turnover represents sales, excluding value added tax, by group companies to outside customers.

3 Depreciation

Depreciation is calculated to write off the cost or valuation of the assets by equal annual instalments over their expected economic life. No depreciation is provided on freehold or long leasehold land. Details of depreciation rates are disclosed in note 11.

4 Research and development expenditure

Research expenditure is written off in the year in which it is incurred.

United Kingdom development expenditure represents expenditure mainly of a revenue nature, incurred in the first three years of trading in establishing new branches, services and products of the group. Overseas development expenditure, with the exception of pre-operational costs, is written off during the year in which it is incurred.

Development expenditure and pre-operational costs are amortised over a period of up to ten years commencing in the year after that in which they have been incurred or when the project is revenue producing. The amount of unamortised development expenditure is not treated as a realised loss for the purposes of calculating distributable profits.

5 Stocks

Stocks are valued at the lower of cost and net realisable value on bases consistent with previous years. Cost represents expenditure incurred in the ordinary course of business to bring stock to its present condition and includes appropriate overheads.

6 Deferred taxation

Provision is made for deferred taxation at known rates of United Kingdom corporation tax on the excess of the book value of those assets qualifying for taxation allowances over their written down values for tax purposes except when the tax benefit can be expected with reasonable probability to be retained for the foreseeable future.

7 Overseas currencies

Profits and losses and assets and liabilities denominated in foreign currencies have been converted to sterling at the rates of exchange ruling at the balance sheet date. All foreign exchange adjustments, including those arising on consolidation and on United Kingdom borrowings arranged to finance overseas investments, have been transferred to reserves (note 20 to the accounts).

8 Goodwill and cellular contracts

- (a) Goodwill arising on consolidation and purchased goodwill are written off to reserves in the year of acquisition.
- (b) Net payments made to third parties to obtain cellular contracts are amortised over their average life of three years.

9 Leases

Assets held under finance leases are included in tangible fixed assets at their capital value and depreciated in accordance with the policy stated in paragraph 3 above. The capital element of future rentals is included within creditors and the finance charge element is charged to profit and loss account over the period of the lease.

Annual rentals payable under operating leases are charged to profit and loss account and future rental obligations are disclosed in note 22 to the accounts.

10 Pensions

The group operates defined benefit pension schemes covering the majority of its employees. The contributions to the schemes are charged to the profit and loss account on a basis that reflects the expected cost of providing pensions over the employees' working lives with the group.

Consolidated Profit and Loss Account
for the year ended 30 September 1992

	<u>Notes</u>	<u>1992 £000</u>	<u>1991 £000</u>
Turnover	1	<u>562,885</u>	<u>511,231</u>
Profit before interest and taxation	1	<u>39,919</u>	<u>21,446</u>
Net interest charge	2	<u>(2,901)</u>	<u>(1,039)</u>
Profit on ordinary activities before taxation	3	<u>37,018</u>	<u>20,407</u>
Taxation	5	<u>(14,315)</u>	<u>(7,211)</u>
Profit on ordinary activities after taxation		<u>22,703</u>	<u>13,196</u>
Minority interests		(18)	(9)
Extraordinary items	6	<u>(6,323)</u>	<u>-</u>
Dividends	7	<u>(5,517)</u>	<u>(4,922)</u>
Retained profit	20	<u>10,845</u>	<u>8,265</u>
Earnings per ordinary stock unit	8	<u>20.7p</u>	<u>12.0p</u>

**Consolidated and Parent Company
Balance Sheets at 30 September 1992**

	Notes	1992 £000	Consolidated 1991 £000	1992 £000	Parent company 1991 £000
Fixed assets					
Intangible assets	10	1,548	435	-	-
Tangible assets	11	147,337	130,945	5,788	5,910
Investments	12	42,262	34,050	2,667	4,748
		<u>191,147</u>	<u>165,430</u>	<u>8,455</u>	<u>10,658</u>
Current assets					
Stocks	13	10,295	10,146	-	-
Debtors	14	107,674	88,490	200,163	97,156
Bank and deposit balances		5,147	5,829	144	272
		<u>123,116</u>	<u>104,465</u>	<u>200,307</u>	<u>97,428</u>
Creditors - due within one year					
Bank overdrafts and short term loans	15	8,525	6,544	-	-
Corporation tax		3,938	2,452	1,424	-
Proposed dividends		3,986	3,504	3,986	3,504
Other	16	115,230	104,692	39,674	3,499
		<u>131,679</u>	<u>117,192</u>	<u>45,084</u>	<u>7,003</u>
Not current (liabilities)/assets		<u>(8,563)</u>	<u>(12,727)</u>	<u>155,223</u>	<u>90,425</u>
Total assets less current liabilities		<u>182,584</u>	<u>152,703</u>	<u>163,678</u>	<u>101,083</u>
Creditors - due after more than one year					
Loans	17	28,260	6,318	25,000	3,000
Corporation tax		115	401	-	-
Other		273	10	-	-
		<u>28,648</u>	<u>6,729</u>	<u>25,000</u>	<u>3,000</u>
Provision for liabilities and charges	18	412	459	-	167
Net assets		<u>153,524</u>	<u>145,515</u>	<u>138,678</u>	<u>97,916</u>
Capital and reserves					
Called up share capital	19	27,504	27,504	27,504	27,504
Reserves	20	125,989	117,998	111,174	70,412
		<u>153,493</u>	<u>145,502</u>	<u>138,678</u>	<u>97,916</u>
Minority interests		31	13	-	-
		<u>153,524</u>	<u>145,515</u>	<u>138,678</u>	<u>97,916</u>

Roger Wiggs
Christopher Shirrelliffe } Directors
4 March 1993

Cash Flow Statement
for the year ended 30 September 1992

	£000	1992 £000	£000	1991 £000
Operating activities				
Cash received from customers	547,469		500,644	
Cash payments to suppliers	(181,131)		(149,164)	
Paid to and on behalf of employees	(334,197)		(313,911)	
Other receipts/(payments)	2,411		(7,671)	
Net cash flow from continuing operations	34,552		29,898	
Net cash outflow in respect of discontinued operations	(6,323)		-	
Net cash flow from operating activities (see note 24)		28,229		29,898
Returns on investments and servicing of finance				
Interest received	894		1,131	
Interest paid	(3,795)		(2,170)	
Dividends received	9,534		10,692	
Dividends paid	(5,036)		(4,475)	
Net cash inflow from returns on investments and servicing of finance		1,597		5,178
Taxation				
Tax paid		(1,347)		(3,115)
Investing activities				
Purchase of tangible fixed assets	(51,055)		(39,003)	
Purchase of goodwill	(2,690)		(596)	
Repayment of loan by associated undertaking	929		-	
Sale of tangible fixed assets and investments	5,585		3,861	
Increase in associated undertakings	(2,735)		(4,185)	
Additions to intangibles	(1,192)		(245)	
Disposals of associated undertakings	(2,106)		-	
Net cash outflow from investing activities		(53,264)		(40,168)
Net cash outflow before financing		(24,785)		(8,907)
Financing				
Increase/(decrease) in loans	21,860		(2,146)	
Finance lease movements	262		3,026	
Net cash inflow from financing (See note 24)		22,122		880
Decrease in cash and cash equivalents (See note 24)		2,663		8,027
		24,785		8,907

Note - Payments and outflows are denoted in brackets.

Notes to the Accounts

1 Segmental analysis of results	1992			1991		
	Total £000	Inter- segment £000	Sales to third parties £000	Total £000	Inter- segment £000	Sales to third parties £000
Business sector						
Turnover						
Security	276,403	(2,292)	274,111	261,035	(2,058)	258,977
Parcels	326,064	(1,199)	224,865	203,469	(1,105)	202,364
Communications (excluding Cellnet)	71,959	(8,368)	63,591	51,923	(6,696)	45,227
Business Services*	51,688	(51,688)	-	45,002	(45,002)	-
Continuing operations	626,114	(63,547)	562,567	561,429	(54,861)	506,568
Businesses sold	318	-	318	4,663	-	4,663
	<u>626,432</u>	<u>(63,547)</u>	<u>562,885</u>	<u>566,092</u>	<u>(54,861)</u>	<u>511,231</u>
Profit before interest and taxation						
Security				8,186		6,922
Parcels				7,642		3,222
Communications						
- Cellnet				30,610		21,256
- Other (including cellular retailing)				(5,983)		(9,082)
Continuing operations				40,455		22,318
Businesses sold				(536)		(872)
				<u>39,919</u>		<u>21,446</u>

* The Business Services division comprises the group's fleet servicing operations. It provides services to third parties but principally deals with the group's Security and Parcels divisions. The results attributable to third parties are immaterial and have been included within the results of the Security and Parcels business sectors.

Geographical analysis	1992			1991		
	Total £000	Inter- segment £000	Sales to third parties £000	Total £000	Inter- segment £000	Sales to third parties £000
Turnover						
United Kingdom	553,502	(63,410)	490,092	500,162	(54,719)	445,443
Republic of Ireland, Channel Islands and Isle of Man	25,842	(137)	25,705	21,037	(142)	20,895
Rest of Europe	37,405	-	37,405	34,391	-	34,391
Africa	9,683	-	9,683	10,304	-	10,304
Asia and rest of world	-	-	-	198	-	198
	<u>626,432</u>	<u>(63,547)</u>	<u>562,885</u>	<u>566,092</u>	<u>(54,861)</u>	<u>511,231</u>

1 Segmental analysis of results continued

Profit before interest and taxation

	1992 £000	1991 £000
United Kingdom	37,499	19,160
Republic of Ireland, Channel Islands and Isle of Man	(333)	566
Rest of Europe	(362)	(496)
Africa	1,218	1,291
Asia and rest of world	1,897	925
	39,919	21,446

The analysis of both turnover and profit is based on the location of the company in which sales have been made.

An analysis of turnover to third parties by destination is not materially different from turnover by location of the company.

2 Net interest charge

	1992 £000	1991 £000
Loans and overdrafts, wholly repayable within five years		
Repayable by instalments	(644)	(184)
Repayable other than by instalments	(3,003)	(1,836)
Loans of which any portion is due after more than five years	(148)	(150)
	(3,795)	(2,170)
Interest receivable	894	1,131
	(2,901)	(1,039)

3 Profit on ordinary activities before taxation

	1992 £000	1991 £000
Turnover	562,885	511,231
Cost of sales	(404,364)	(375,216)
Gross profit	158,521	136,015
Administrative expenses	(150,622)	(136,363)
Net interest charge	(2,901)	(1,039)
Share of profits of associated undertakings -		
Cellnet	30,610	21,256
Others	1,410	538
Profit on ordinary activities before taxation	37,018	20,407
Operating profit has been arrived at after taking account of:		
Auditors' remuneration - Fees	390	376
- Other services	128	121
Depreciation of tangible fixed assets	30,069	25,424
Development expenditure - Amortisation	79	116
Operating lease rentals payable - Properties	17,308	16,911
- Vehicles and equipment	6,106	7,849
Operating lease rentals receivable	(6,387)	(7,252)
(Profits)/losses on disposal of assets - Properties	34	(297)
- Other tangible assets	(466)	(356)

Notes to the Accounts

4 Staff costs and employees

(a) Staff costs –

Staff costs, including directors' emoluments –

Wages and salaries

Social security costs

Pension costs

1992 £000	1991 £000
294,685	279,774
24,267	24,144
13,184	13,203
332,136	317,121

Number of employees

(b) Number of employees –

The average weekly number of employees of the group during the year was –

UK

Overseas

1992	1991
21,434	21,843
19,338	17,892
40,772	39,735

(c) Pensions –

The group operates various pension schemes which are established in accordance with local conditions and practices within the countries concerned.

The principal scheme, which operates in the United Kingdom, is of a defined benefit structure. The costs of this scheme amounted in the year to £12.543m (£11.083m). The pension costs are assessed on the advice of independent qualified actuaries using the projected unit credit method. The assets of the schemes are held in separate trustee administered funds.

The latest actuarial valuation was made on 5 April 1991. The assumptions which have the most significant effect on the results of the valuation are the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the rate of return on investments would be 1% higher than the rate of annual salary increases and 4% higher than the rate of pension increases.

At the date of the valuation the market value of the assets was £152.017m and the actuarial value of the assets was sufficient to cover the benefits that had accrued to members, after allowing for expected future increases in earnings.

The group's current contribution rate is expected to cover the funds' present and future commitments.

The pension schemes are operated jointly for the benefit of the employees of Securicor Group plc and Security Services plc and their subsidiaries.

4 Staff costs and employees continued

(d) Emoluments of the directors of Security Services plc -

	1992 £000	1991 £000
Executive services	621	663
Fees	53	54
	<u>674</u>	<u>717</u>

The remuneration of the Chairman was £51,000 (£50,996)

The remuneration of the highest paid director was £124,794 (£114,448)

The number of directors whose pre-tax emoluments fell within the following bands was -

Emoluments	Number of directors	
	1992	1991
£ 10,001 to £ 15,000	2	1
£ 20,001 to £ 25,000	1	-
£ 25,001 to £ 30,000	1	-
£ 30,001 to £ 35,000	-	1
£ 35,001 to £ 40,000	-	1
£ 40,001 to £ 45,000	-	1
£ 50,001 to £ 55,000	2	2
£ 65,001 to £ 70,000	1	-
£ 75,001 to £ 80,000	1	3
£ 80,001 to £ 85,000	1	1
£ 85,001 to £ 90,000	1	-
£110,001 to £115,000	-	1
£120,001 to £125,000	1	-

5 Taxation

	1992 £000	1991 £000
UK corporation tax at 33% (33 1/2%)	13,387	6,473
Deferred tax (note 18)	(198)	-
Overseas tax	1,204	1,529
	<u>14,393</u>	<u>8,002</u>
Adjustments for previous years		
UK corporation tax	(4)	(775)
Overseas tax	(74)	(16)
	<u>14,315</u>	<u>7,211</u>

The charge for taxation includes £11,965,000 (£6,542,000) in respect of share of profits of associated undertakings.

6 Extraordinary items

	1992 £000	1991 £000
Loss on disposal of the group's investment in Band Three Holdings Limited	3,824	-
Losses on disposal of Benelux domestic parcels companies	2,499	-
	<u>6,323</u>	<u>-</u>

Notes to the Accounts

7 Dividends

3.15% Cumulative preference stock

Ordinary -

Interim (paid) 1.394p (1.291p) per stock unit

Final (proposed) 3.636p (3.197p) per stock unit

	1992 £000	1991 £000
3.15% Cumulative preference stock	3	3
Ordinary -		
Interim (paid) 1.394p (1.291p) per stock unit	1,528	1,415
Final (proposed) 3.636p (3.197p) per stock unit	3,986	3,504
	<u>5,517</u>	<u>4,922</u>

8 Earnings per ordinary stock unit

Earnings

Average number of shares

	1992	1991
Earnings	£22,682,000	£13,184,000
Average number of shares	109,615,911	109,615,911

Earnings per ordinary stock unit

20.7p 12.0p

Earnings represent profit after tax less (a) minority interests and (b) fixed preference dividend.

9 Segmental analysis of net assets	Segment net assets £000	Share of net assets of associated undertakings £000	1992 Total £000	Segment net assets £000	Share of net assets of associated undertakings £000	1991 Total £000
Business sector						
Security	59,739	4,025	63,764	53,329	3,807	57,136
Parcels	44,651	3	44,654	42,064	95	42,159
Communications	7,082	38,234	45,316	3,805	30,148	33,953
Business Services (note c)	56,077	-	56,077	47,326	-	47,326
Unallocated assets	3,251	-	3,251	3,246	-	3,246
	<u>170,800</u>	<u>42,262</u>	<u>213,062</u>	<u>149,770</u>	<u>34,050</u>	<u>183,820</u>
Geographical analysis						
United Kingdom	157,123	38,234	195,357	137,547	30,148	167,695
Republic of Ireland, Channel Islands and Isle of Man	5,954	-	5,954	4,802	-	4,802
Rest of Europe	5,301	693	5,994	5,283	433	5,716
Africa	2,165	-	2,165	2,034	-	2,034
Asia and rest of world	257	3,335	3,592	104	3,469	3,573
	<u>170,800</u>	<u>42,262</u>	<u>213,062</u>	<u>149,770</u>	<u>34,050</u>	<u>183,820</u>

Notes

(a) Segment net assets represents shareholders' funds, minority interests and net interest bearing liabilities.

(b) Share of net assets of associated undertakings represents shares at cost less amounts written off, loans and share of post acquisition reserves.

(c) The assets of Business Services sector are employed principally in the Security and Parcels business sectors.

10 Intangible fixed assetsConsolidated
£000

Development expenditure

Cost

At 30 September 1991

1,140

Additions

1,192

At 30 September 1992

2,332

Amortisation

At 30 September 1991

705

Provision for the year

79

At 30 September 1992

784

Net book value

At 30 September 1992

1,548

At 30 September 1991

435

11 Tangible fixed assets**Consolidated****Cost or valuation**

At 30 September 1991

45,612

152,761

26,393

234,766

Additions at cost

4,445

43,851

2,759

51,055

Disposals

(1,935)

(16,328)

(1,194)

(19,457)

Foreign currency adjustments

266

905

22

1,193

At 30 September 1992

48,388

191,189

27,980

267,557

Depreciation

At 30 September 1991

7,066

81,138

15,617

103,821

Provision for the year

1,242

26,075

2,752

30,069

Disposals

(760)

(12,720)

(824)

(14,304)

Foreign currency adjustments

91

533

10

634

At 30 September 1992

7,639

95,026

17,555

120,220

Net book value

At 30 September 1992

40,749

96,163

10,425

147,337

At 30 September 1991

38,546

81,623

10,776

130,945

Notes**(a) Equipment held under finance leases and included above -**

Net book value £11,702m (1991 - £11,223m)

Accumulated depreciation £5,519m (1991 - £2,221m)

Depreciation for the year £3,298m (1991 - £1,326m)

Notes to the Accounts

11 Tangible fixed assets continued

	1992 £000	1991 £000
(b) Land and buildings		
(i) The amount shown at cost or valuation includes the following –		
At cost	47,038	44,277
At valuation in 1986 or prior	1,350	1,335
	<u>48,388</u>	<u>45,612</u>
(ii) The net book value of land and buildings comprises –		
Freeholds	22,622	23,336
Long leaseholds (50 years and over)	6,971	3,324
Short leaseholds (under 50 years)	11,156	11,886
	<u>40,749</u>	<u>38,546</u>

(c) Depreciation rates

The following table shows the annual rates of depreciation calculated on a straight line basis –

Freehold and long leasehold buildings	up to 2%
Short leaseholds	over the life of the lease
Equipment	10% – 25%
Motor vehicles	10% – 33 1/3%

(d) Assets revalued

The group's freehold and long leasehold properties located in the United Kingdom, Channel Islands, Isle of Man and Ireland were revalued as at 30 September 1990. If the revaluation had been incorporated into the accounts the net book value of the land and buildings, taking into account the disposals during the year, would have increased by £12,005,500.

	Land and buildings £000
Parent company	
Cost	
At 30 September 1991	6,635
Additions at cost	2,092
Intercompany – additions	669
– disposals	(3,444)
At 30 September 1992	<u>5,952</u>
Depreciation	
At 30 September 1991	725
Provision for the year	36
Intercompany – additions	35
– disposals	(632)
At 30 September 1992	<u>164</u>
Net book value	
At 30 September 1992	<u>5,788</u>
At 30 September 1991	<u>5,910</u>

11 Tangible fixed assets continued

The net book value of land and buildings comprises -

	1992 £000	1991 £000
Freeholds	5,116	5,145
Long leaseholds (50 years and over)	216	399
Short leaseholds (under 50 years)	456	366
	<u>5,788</u>	<u>5,910</u>

12 Investments

Associated undertakings

Shares at cost less amount written off

At 30 September 1991

Disposals

At 30 September 1992

Consolidated £000	Parent company £000
4,194	2,667
(474)	-
<u>3,720</u>	<u>2,667</u>

Loans

At 30 September 1991

Additions

Repayments

Disposals

At 30 September 1992

4,046	2,072
2,733	1,752
(929)	-
(5,593)	(3,824)
<u>257</u>	<u>-</u>

Share of post acquisition reserves

At 30 September 1991

Retained profits for year

Disposals

Foreign currency adjustments

At 30 September 1992

25,810	-
10,521	-
2,106	-
(152)	-
<u>38,285</u>	<u>-</u>

Subsidiary undertakings

Shares at cost less amount written off

At 30 September 1991

Disposals

At 30 September 1992

-	9
-	(9)
-	-

Total investments

At 30 September 1992

At 30 September 1991

<u>42,262</u>	<u>2,667</u>
<u>34,050</u>	<u>4,748</u>

Included in associated undertakings is the group's investment in Cellnet totalling £38,234,000 represented by (i) cost of the investment of £2,667,000 and (ii) the group's share of Cellnet's profits after tax (net of dividends received) of £35,567,000.

In the opinion of the directors the aggregate value of the group's investments in associated undertakings is not less than their cost.

Notes to the Accounts

13 Stocks

	1992 £000	Consolidated 1991 £000
Raw materials and components	2,421	2,187
Work in progress	1,148	823
Finished goods including consumables	6,726	7,136
	<u>10,295</u>	<u>10,146</u>

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

14 Debtors

	1992 £000	Consolidated 1991 £000	1992 £000	Parent company 1991 £000
Trade debtors	84,009	68,593	-	-
Parent undertakings and fellow subsidiary undertakings	518	1,677	-	1,518
Subsidiary undertakings	-	-	199,861	94,692
Other debtors	5,222	4,856	302	946
Prepayments and accrued income	17,515	13,124	-	-
Associated undertakings	410	240	-	-
	<u>107,674</u>	<u>88,490</u>	<u>200,163</u>	<u>97,156</u>

Included in consolidated prepayments is £2,467,000 (£1,437,000) falling due after more than one year and included in parent company subsidiary undertakings is £54,150,000 (£28,966,000) representing loan accounts due after more than one year.

15 Bank overdrafts and short term loans

	1992 £000	Consolidated 1991 £000	1992 £000	Parent company 1991 £000
Bank overdrafts and advances	8,422	6,445	-	-
Secured loans	89	89	-	-
Unsecured loans	14	10	-	-
	<u>8,525</u>	<u>6,544</u>	<u>-</u>	<u>-</u>

16 Creditors

	1992 £000	Consolidated 1991 £000	1992 £000	Parent company 1991 £000
Amounts falling due within one year -				
Trade creditors	31,212	30,081	-	-
Parent undertakings and fellow subsidiary undertakings	27,546	21,925	24,957	-
Subsidiary undertakings	-	-	11,804	1,685
Associated undertakings	500	163	-	-
Other taxation and social security	18,928	20,989	-	-
Accruals and deferred income	25,346	19,468	1,700	1,700
Hire purchase and finance leases	2,943	2,763	-	-
Other creditors	8,755	9,303	1,213	114
	<u>115,230</u>	<u>104,692</u>	<u>39,674</u>	<u>3,499</u>

17 Loans	1992 £000	Consolidated 1991 £000	1992 £000	Parent company 1991 £000
Total loans				
Secured loans	416	556	-	-
Unsecured loans	26,102	4,102	25,000	3,000
Hire purchase and finance leases	1,742	1,660	-	-
	<u>28,260</u>	<u>6,318</u>	<u>25,000</u>	<u>3,000</u>
Repayable within one to two years				
Secured	174	89	-	-
Unsecured	25,533	51	25,000	-
Hire purchase and finance leases	1,405	1,660	-	-
Repayable within two to five years				
Secured	235	445	-	-
Unsecured	569	3,457	-	3,000
Hire purchase and finance leases	337	-	-	-
Not wholly repayable within five years				
Secured	7	22	-	-
Unsecured	-	594	-	-
	<u>28,260</u>	<u>6,318</u>	<u>25,000</u>	<u>3,000</u>

Secured loans at market rates of interest are secured on property and other assets of the group, and are mainly repayable by monthly instalments during 1993-2000.

Unsecured loans are mainly repayable in 1994 or at any earlier time at the option of the borrower.

18 Provision for liabilities and charges	Consolidated £000	Parent company £000
Deferred taxation		
At 30 September 1991	396	167
Profit and loss account	(198)	-
Transferred to corporation tax	(198)	(167)
At 30 September 1992	-	-
Provisions		
At 30 September 1991	63	-
Profit and loss account	443	-
Utilised in the year	(94)	-
At 30 September 1992	412	-
Total provisions for liabilities and charges		
At 30 September 1992	<u>412</u>	<u>-</u>
At 30 September 1991	<u>459</u>	<u>167</u>

The amount of deferred taxation in respect of accelerated capital allowances and other timing differences calculated by the liability method and for which no provision is made in these accounts is £3,179,000 (£4,044,000).

Notes to the Accounts

19 Share capital

Security Services plc

3.15% Cumulative preference stock

Ordinary stock units of 25p each

Ordinary shares of 25p each

	Authorised £	1992 Issued and fully paid £	Authorised £	1991 Issued and fully paid £
	<u>100,000</u>	<u>100,000</u>	100,000	100,000
	<u>27,403,978</u>	<u>27,403,978</u>	27,403,978	27,403,978
	<u>2,496,022</u>	<u>-</u>	2,496,022	-
	<u>30,000,000</u>	<u>27,503,978</u>	<u>30,000,000</u>	<u>27,503,978</u>

20 Reserves

Consolidated

At 30 September 1991

Retained earnings

Goodwill on acquisition

Transfers

Exchange adjustments

At 30 September 1992

	Revaluation reserve £000	Associated undertakings £000	Retained earnings £000	Share premium account £000	Total £000
	1,000	25,810	42,807	48,381	117,998
	-	10,521	324	-	10,845
	-	-	(2,690)	-	(2,690)
	-	2,106	(2,106)	-	-
	-	(152)	(12)	-	(164)
	<u>1,000</u>	<u>38,285</u>	<u>38,323</u>	<u>48,381</u>	<u>125,989</u>

Goodwill on acquisition relates to the purchase of the United Kingdom domestic parcels customer base of Federal Express.

Parent company

At 30 September 1991

Retained earnings

At 30 September 1992

	Retained earnings £000	Share premium account £000	Total £000
	22,031	48,381	70,412
	40,762	-	40,762
	<u>62,793</u>	<u>48,381</u>	<u>111,174</u>

As permitted by section 230 of the Companies Act 1985 the parent company has not presented its own profit and loss account.

21 Contingent liabilities

At 30 September 1992, guarantees had been provided in respect of the following outstanding borrowings, hire purchase and finance lease commitments.

(a) By the company in respect of its subsidiaries, for:-

- (i) Short term liabilities (under one year) £5,574,000
- (ii) Long term liabilities (over one year) £2,710,000

(b) By Securicor Group plc in respect of the company and its subsidiaries for:-

- (i) Short term liabilities (under one year) £456,000
- (ii) Long term liabilities (over one year) £25,000,000

Under a group registration the company is jointly and severally liable for value added tax due by other group companies.

Contingent liabilities also exist in respect of agreements entered into in the normal course of business.

22 Operating lease commitments

Commitments for the year to 30 September 1993 on operating leases which expire -

- within one year
- between one and two years
- between two and five years
- more than five years

	1992		1991
Land and buildings £000	Other £000	Land and buildings £000	Other £000
507	372	476	1,179
453	2,265	556	496
1,378	394	541	4,332
11,605	4	10,205	-
<u>13,943</u>	<u>3,035</u>	<u>11,778</u>	<u>6,007</u>

23 Capital commitments

Contracted

Authorised but not contracted

Consolidated £000	Parent company £000
1,352	-
730	-
<u>2,082</u>	<u>-</u>

Notes to the Accounts

24 Notes to the cash flow statement

(a) Reconciliation of profit on ordinary activities

before taxation to net cash inflow from operating activities

	1992 £000	1991 £000
Profit on ordinary activities before taxation	37,018	20,407
Share of profits of associated undertakings and net interest	(29,119)	(20,755)
Profit on disposal of fixed assets and investments	(432)	(653)
Depreciation	30,069	25,424
Amortisation of development expenditure	79	116
Exchange adjustments	(571)	(225)
Provision for diminutions	-	213
Other provisions	151	(238)
Extraordinary items	(6,323)	-
(Increase)/decrease in stocks	(149)	527
Increase in debtors	(19,184)	(17,657)
Increase in creditors due within one year	10,360	23,530
Increase in creditors due after one year	263	10
Transfer to subsidiary undertakings	-	125
Transfer from subsidiary undertakings	-	(726)
Investments written off	6,067	-
	<u>28,229</u>	<u>29,898</u>

(b) Analysis of changes in cash and cash equivalents

At 30 September 1991	(715)	7,312
Net cash outflow	(2,663)	(8,027)
At 30 September 1992	<u>(3,378)</u>	<u>(715)</u>

(c) Analysis of balances of cash and cash equivalents shown in the balance sheet

	1992 £000	1991 £000	Change in year £000
Cash at bank and in hand	5,147	5,829	(682)
Bank loans and overdrafts	(8,525)	(6,544)	(1,981)
At 30 September 1992	<u>(3,378)</u>	<u>(715)</u>	<u>(2,663)</u>

Share capital (including premium)	Loans and finance lease obligations
--	--

(d) Analysis of changes in financing during the year

At 30 September 1991	75,885	9,081
Cash inflows from financing	-	22,122
At 30 September 1992	<u>75,885</u>	<u>31,203</u>

25 Principal subsidiary and associated undertakings

	Effective % of issued share capital held by the group	Incorporated and operational as at January 1993
Subsidiary undertakings		
Security		
Securicor Security Services Limited	100	United Kingdom
Securicor Limited	100	United Kingdom
Securicor Cleaning Limited	100	United Kingdom
Securicor Custodial Services Limited	100	United Kingdom
Securicor Guarding Limited	100	United Kingdom
Securicor Alarms Limited	100	United Kingdom
Securicor Deutschland GmbH*	100	Germany
Frentrup GmbH	51	Germany
Securicor Wachgesellschaft Leipzig mbh	100	Germany
Securicor Nederland BV*	100	Holland
Securicor Hungary Kft	100	Hungary
Securicor Investissements SA	100	France
Securicor Luxembourg SA	100	Luxembourg
Securicor Ireland Limited*	100	Ireland
Securicor Jersey Limited	100	Jersey
Securicor Guernsey Limited	100	Guernsey
Securicor Isle of Man Limited	100	Isle of Man
Securicor Kenya Limited	100	Kenya
Securicor (Malawi) Limited	99	Malawi
Securicor Zambia Limited	100	Zambia
Parcels		
Securicor Parcels Limited	100	United Kingdom
Securicor Omega Express Limited	100	United Kingdom
Securicor Pony Express Limited	100	United Kingdom
Securicor Omega Express NV	100	Belgium
Securicor Deutschland GmbH*	100	Germany
Securicor Nederland BV*	100	Holland
Securicor France SA	100	France
Securicor Express Services SARL	100	Luxembourg
Securicor Ireland Limited*	100	Ireland
Communications		
Securicor Communications Limited	100	United Kingdom
Securicor Cellular Services Limited	100	United Kingdom
Securicor Datatrak Limited	100	United Kingdom
Securicor Electronics Limited	100	United Kingdom
Securicor PMR Systems Limited	100	United Kingdom
Securicor Telecoms Limited	100	United Kingdom
Linear Modulation Technology Limited	100	United Kingdom
Business Services**		
Securicor Business Services Limited	100	United Kingdom
Securicor Vehicle Services Limited	100	United Kingdom

Notes to the Accounts

25 Principal subsidiary and associated undertakings continued

	Issued capital#	Effective% of issued share capital held by the group	Incorporated and operational as at January 1993
Associated undertakings			
Security			
JS Holdings Limited - Incorporated -- operational	US\$2,000	50	British Virgin Islands Hong Kong, Indonesia, Macau and Malaysia (49%)
Securicor (Thailand) Limited	Baht 36,000,000	49	Thailand
Securicor Trinidad Limited	TT\$3,500,000	33	Trinidad and Tobago
Al Mulla Security Services Co WLL	KD 50,000	49	Kuwait
Parcels			
Grimaud Securitor - SARL	FF1,000,000	50	France
Communications			
Cellnet Group Limited	£10,000,000	27	United Kingdom

Notes

* Indicates joint principal Security/Parcels operations.

** For segmental reporting purposes the results of the Business Services division, in so far as they concern external customers of the group, are deemed to be immaterial and have been included within the Security and Parcels divisions' results.

All holdings are in ordinary shares.

Report of the Auditors

To the members of Security Services plc

We have audited the accounts on pages 31 to 49 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group at 30 September 1992 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

2 Bloomsbury Street
London WC1H 3ST
4 March 1993

Baker Tilly
Baker Tilly
Chartered Accountants
Registered Auditor

Ten Year Financial Summary

(£millions)	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983
Turnover	563	511	468	450	381	334	310	271	248	231
Profit before taxation	37.0	20.4	36.1	28.2	21.8	16.1	12.7	10.8	10.1	8.9
Profit attributable to shareholders	16.4	13.2	14.8	16.3	11.7	9.7	6.7	5.9	2.0	5.0
Profits retained	10.9	8.3	10.4	13.1	9.2	7.4	4.6	4.1	0.5	3.7
Fixed assets	191.1	165.4	145.8	117.8	91.7	75.7	68.9	61.8	59.6	52.7
Net assets	153.5	145.5	138.3	134.8	71.2	63.2	57.3	53.3	42.7	42.2
Earnings per ordinary stock unit (pence)	20.7	12.0	19.7	15.7	11.9	9.8	8.0	6.0	6.1	6.0
Dividends per ordinary stock unit (pence)	5.03	4.488	4.080	2.914	2.498	2.268	2.062	1.874	1.70	1.55
Return on net assets (%)	24	14	26	21	31	25	22	20	24	21
Borrowings (£ millions)	39.7	15.6	14.1	13.3	21.8	16.5	14.6	13.9	14.5	10.3
Debt/equity (%)	26	11	10	10	31	26	25	26	34	24

Notice of Meeting

Notice is hereby given that the ninety seventh annual general meeting of Security Services plc will be held at the Richmond Hill Hotel, Richmond Hill, Richmond, Surrey on Wednesday 31 March 1993 at 12.15 pm.

1 For the purpose of transacting the following Ordinary Business, viz -

- (a) To receive and consider the reports of the directors and auditors and the accounts of the company for the year ended 30 September 1992.
- (b) To confirm payment of interim dividends and to declare final dividends.
- (c) To re-elect the directors who retire by rotation -
Mr A V Alexander
Mr Nigel Griffiths
Mr Henry McKay
- (d) To elect the director appointed since the last annual general meeting -
Sir Neil Macfarlane
- (e) To re-appoint Baker Tilly (incorporating Milne Ross) as auditors of the company and to authorise the directors to fix their remuneration.

2 For the purpose of transacting the following Special Business, viz -

As a Special Resolution

"That equity securities, as defined in section 94 of the Companies Act 1985, up to a maximum amount of 5% of the issued equity securities of the company as so defined, may be allotted as if section 89(1) of that Act did not apply to such allotment. The authority conferred by this resolution shall expire at the conclusion of the next annual general meeting of the company save that the company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired."

Sutton Park House
15 Carshalton Road
Sutton
Surrey SM1 4LD

4 March 1993

By order of the Board
N. Griffiths
Secretary

Notes

- (a) Every member entitled to attend and vote at the meeting may appoint another person as his proxy to attend and vote thereat instead of him and such proxy need not be a member. Forms appointing proxies must be deposited at the office of the Registrars by 12.15 pm on 29 March 1993.
- (b) Subject to the recommendation as to the payment of the final dividends being adopted at the annual general meeting the dividends will be payable on 5 April 1993 to the holders registered on 5 March 1993.
- (c) In accordance with the requirements of the London Stock Exchange, copies of the directors' service contracts will be available for inspection at the registered office from the date of the above notice until the date of the meeting and at the place of the meeting from 15 minutes prior to until the close of the meeting.

Financial Calendar

Results announcements

Final results - early January

Interim results - late June

Dividend payments

Interim paid - 25 September 1992

Final payable - 5 April 1993

Annual Report

Published - early March

Annual General Meeting

31 March 1993

Group Addresses

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Sutton

Surrey SM1 4LD

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Barclays Registrars

Bourne House

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Beckenham

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Tel: 081 650 4866

Auditors:

Baker Tilly

Chartered Accountants

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Designed and produced by Anthony and Doris

Printed by Burrows & Co, 10, Abchurch Lane, London

