

Securicor Aviation (France) Limited

FINANCIAL STATEMENTS

for the period ended
31 December 2004



Securicor Aviation (France) Limited

DIRECTORS AND OFFICERS

DIRECTORS

T L Dighton
NE Griffiths

SECRETARY

SE Lyell

REGISTERED OFFICE

Sutton Park House
15 Carshalton Road
Sutton
Surrey SM1 4LD

AUDITORS

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

Securicor Aviation (France) Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Securicor Aviation (France) Limited for the period ended 31 December 2004.

PRINCIPAL ACTIVITIES

The company's principal activity is the provision of airport security services in France via an overseas branch.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The directors consider the state of affairs of the business as at 31 December 2004 and the results for the period then ended to be satisfactory.

DIVIDENDS

The directors do not recommend the payment of a dividend.

DIRECTORS

The following directors held office since 1 October 2003:

EC Ingram	(resigned 17 August 2004)
F Kastl	(resigned 1 September 2005)
GG McKenzie	(resigned 1 September 2005)
TL Dighton	(appointed 1 September 2005)
NE Griffiths	(appointed 1 September 2005)

DIRECTORS' INTERESTS IN SHARES AND SHARE OPTIONS

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

The following director, who is not also a holding company director, has interests, including family interests, in the share capital of the parent company, Group 4 Securicor plc (2003: Securicor plc) as follows:

	Ordinary shares of 25p each At 31.12.04	Ordinary shares of 5 ¹⁵ / ₁₇ p each At 01.10.03
NE Griffiths	431,361	250,000

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

	Number of shares conditionally awarded
NE Griffiths	138,060

Securicor Aviation (France) Limited

DIRECTORS' REPORT

EMPLOYEE INVOLVEMENT

The company keeps employees informed on a regular basis of current activities and general matters of interest by a variety of means, including:

- a) The holding of regular meetings
- b) Annual employee survey
- c) Circulation of an annual report and the company's newsletter "The Link"
- d) Monthly works council and meeting with staff representatives

EMPLOYMENT OF DISABLED PERSONS

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

AUDITORS

In accordance with section 386, Companies Act 1985, the company has elected to dispense with the obligation to appoint auditors annually. Accordingly Baker Tilly, Chartered Accountants, are deemed to be re-appointed for the succeeding financial year.

By order of the board



N E Griffiths
Director

24 March 2006

Securicor Aviation (France) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SECURICOR AVIATION (FRANCE)
LIMITED

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

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

Respective responsibilities of directors and auditors

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

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

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

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

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements.

It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2004 and of its loss for the period 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

24 March 2006

Securicor Aviation (France) Limited

PROFIT AND LOSS ACCOUNT

for the period ended 31 December 2004

	Notes	15 month period ended 31 December 2004 £000 Discontinued	Year ended 30 September 2003 £000 Discontinued
TURNOVER	1	6,760	7,845
Cost of sales		(6,358)	(7,302)
GROSS PROFIT		402	543
Other operating expenses	2	(1,653)	612
OPERATING (LOSS)/PROFIT		(1,251)	1,155
Interest payable	3	(11)	(25)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(1,262)	1,130
Taxation	6	-	187
RETAINED (LOSS)/PROFIT FOR THE PERIOD	12	(1,262)	1,317

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the period ended 31 December 2004

		15 month period ended 31 December 2004 £000	Year ended 30 September 2003 £000
(Loss)/profit for the financial period	12	(1,262)	1,317
Loss on foreign currency translation		(60)	(385)
Total recognised (loss)/profit relating to the period		(1,322)	932

Securicor Aviation (France) Limited

BALANCE SHEET

31 December 2004

	<i>Notes</i>	2004 £000	2003 £000
FIXED ASSETS			
Investments	7	16	16
Tangible assets	8	62	58
		<u>78</u>	<u>74</u>
CURRENT ASSETS			
Debtors	9	-	1,764
Cash at bank and in hand		-	69
		<u>-</u>	<u>1,833</u>
CREDITORS: Amounts falling due within one year	10	(2,902)	(4,209)
NET CURRENT LIABILITIES		<u>(2,902)</u>	<u>(2,376)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(2,824)</u>	<u>(2,302)</u>
CAPITAL AND RESERVES			
Called up share capital	11	800	-
Profit and loss account	12	(3,624)	(2,302)
EQUITY SHAREHOLDERS' FUNDS	13	<u>(2,824)</u>	<u>(2,302)</u>

Approved by the board on 24th March 2006


N E Griffiths

Director

Securicor Aviation (France) Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

GROUP ACCOUNTS

The company has taken advantage of the exemption conferred by Section 228 of the Companies Act 1985, from the requirement to prepare group accounts, as the company itself is a wholly owned subsidiary. As such, the accounts present the financial position and performance of the individual entity only.

GOING CONCERN

At 31 December 2004, the company had net liabilities of £2,824,000. The financial statements have been prepared on the going concern basis due to the continued support of fellow group undertakings.

TANGIBLE FIXED ASSETS

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

Computer hardware equipment	-	over 5 years
Computer software equipment	-	over 3 years
Office and commercial equipment	-	over 5 years
Ground technical equipment	-	over 5 years

INVESTMENTS

Fixed asset investments are shown at cost less provision for impairment.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

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

PENSION CONTRIBUTIONS

The company provides pensions to its employees by making contributions to the French state pension scheme. These contributions are mandatory for employers in France and are disclosed in the accounts as social security costs.

The amount charged to the profit and loss account is the contribution payable for the year. Any difference between the amount charged to the profit and loss account and the contribution paid to the scheme is shown as a separately identified liability or asset in the balance sheet.

LEASED ASSETS AND OBLIGATIONS

All leases are "operating leases" and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

FOREIGN CURRENCIES

Assets and liabilities denominated in foreign currencies are translated at the rate ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

Securicor Aviation (France) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2004

1 TURNOVER AND (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and (loss)/profit on ordinary activities before taxation were derived from the provision of airport security services in France.

2 OTHER OPERATING EXPENSES

	15 month period ended 31 December 2004 £000	Year ended 30 September 2003 £000
Administration expenses	1,653	1,351
Waiver of group debt	-	(1,963)
	<u>1,653</u>	<u>(612)</u>

3 INTEREST PAYABLE

	15 month period ended 31 December 2004 £000	Year ended 30 September 2003 £000
On bank loans, overdrafts and other loans wholly repayable within 5 years:		
Bank overdraft	11	25

4 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	15 month period ended 31 December 2004 £000	Year ended 30 September 2003 £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	15	17
Operating lease rentals:		
land and buildings	121	124
plant and machinery	24	22

The audit and non-audit fees for the company have been borne by its immediate parent undertaking.

Securicor Aviation (France) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2004

5	EMPLOYEES	15 month period ended 31 December 2004 £000	Year ended 30 September 2003 £000
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The average weekly number of persons (including directors) employed by the company during the year was:

Security services	252	357
Administration	10	8
	<u>262</u>	<u>365</u>

	15 month period ended 31 December 2004 £000	Year ended 30 September 2003 £000
Staff costs for the above employees are:		
Wages and salaries	4,609	5,435
Social security costs	1,970	2,323
	<u>6,579</u>	<u>7,758</u>

DIRECTORS' REMUNERATION

The directors received no remuneration from the company during the period (2003: £Nil).

6	TAXATION	15 month period ended 31 December 2004 £000	Year ended 30 September 2003 £000
	Current tax:		
	UK corporation tax on results of the period	-	(187)
	Total current tax	<u>-</u>	<u>(187)</u>

Securicor Aviation (France) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2004

6	TAXATION (<i>continued</i>)	15 month period ended 31 December	Year ended 30 September
		2004 £000	2003 £000
	Factors affecting tax charge for period:		
	The tax assessed for the period is higher than the standard rate of corporation tax in the UK (30%). The differences are explained below:		
	(Loss)/Profit on ordinary activities before tax	(1,262)	1,130
	(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK 30% (2003: 30%)	(379)	339
	Effects of:		
	Expenses not deductible for tax purposes	-	(526)
	Losses not utilized	379	-
	Current tax charge for period	-	(187)
7	INVESTMENTS	2004 £000	2003 £000
	Cost and net book value:		
	At 1 October 2003	16	15
	Foreign exchange movement	-	1
	At 31 December 2004	16	16

The company has investments in the following material subsidiary undertakings:

Subsidiary undertakings	Country of registration/ incorporation and operation	Description & proportion of shares held by the company	Nature of business
ADI Services Sarl	France	100% ordinary shares	Dormant
ADI Airport Sarl	France	100% ordinary shares	Dormant
ADI Airline Security Staff	France	100% ordinary shares	Dormant

Securicor Aviation (France) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2004

8	TANGIBLE FIXED ASSETS	Computer equipment £000	Office and commercial equipment £000	Ground technical equipment £000	Total £000
	Cost				
	1 October 2003	40	65	13	118
	Additions	3	2	17	22
	Foreign exchange movement	1	-	1	2
	Disposals	(6)	(34)	(4)	(44)
	31 December 2004	38	33	27	98
	Depreciation:				
	1 October 2003	33	23	4	60
	Charged in the period	6	6	3	15
	Foreign exchange movement	1	-	-	1
	Disposals	(27)	(13)	-	(40)
	31 December 2004	13	16	7	36
	Net book value				
	31 December 2004	25	17	20	62
	30 September 2003	7	42	9	58
9	DEBTORS			2004 £000	2003 £000
	Trade debtors			-	1,674
	Other debtors			-	90
				-	1,764
10	CREDITORS: Amounts falling due within one year			2004 £000	2003 £000
	Bank loans and overdraft			-	281
	Trade creditors			-	142
	Amounts owed to group undertakings			2,093	2,358
	Other taxation and social security costs			-	822
	Accruals and deferred income			-	606
	Other creditors			809	-
				2,902	4,209

Securicor Aviation (France) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2004

11	SHARE CAPITAL	2004 £	2003 £
	Authorised:		
	1,000,000 (2003: 100,000) ordinary shares of £1 each	1,000,000	100,000
	Allotted, issued and fully paid:		
	800,003 (2003: 3) ordinary shares of £1 each	800,003	3
	On 16 February 2004, the authorised share capital of the company was increased by £900,000 to £1,000,000 by the creation of 900,000 £1 ordinary shares.		
	On the same date, 800,000 £1 ordinary shares were issued at par.		
12	PROFIT AND LOSS ACCOUNT	2004 £000	2003 £000
	1 October 2003	(2,302)	(3,234)
	(Loss)/profit for the period	(1,262)	1,317
	Loss on foreign currency translation	(60)	(385)
		(3,624)	(2,302)
13	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2004 £000	2003 £000
	(Loss)/profit for the period	(1,262)	1,317
	Loss on foreign currency translation	(60)	(385)
	Share capital issued during the period	800	-
	Net (reduction in)/addition to shareholders' funds	(522)	932
	Opening shareholders' funds	(2,302)	(3,234)
	Closing shareholders' funds	(2,824)	(2,302)
14	CONTINGENT LIABILITIES		
	The company is included in a group registration for VAT purposes and is therefore jointly and severally liable for all other group companies' unpaid debts in this connection. The liability of the UK group registration at 31 December 2004 totalled £23,103,595.		
15	ULTIMATE PARENT COMPANY		
	The ultimate holding company of Securicor Aviation (France) Limited is Group 4 Securicor plc, a company registered in England and Wales. Copies of the group accounts of Group 4 Securicor plc can be obtained from The Manor, Manor Royal, Crawley, West Sussex, RH10 9UN.		
16	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.		