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Securicor Neal & Massy Limited

FINANCIAL STATEMENTS

for the year ended

30 September 1996



Company Registration No. 499064

Securicor Neal & Massy Limited

DIRECTORS AND OFFICERS

DIRECTORS

HW McKay
RG Hawkins
SJT Hornby
JR Pazos
CD Maingot
A Legarza

SECRETARY

AP Munson

REGISTERED OFFICE

Sutton Park House
15 Carshalton Road
Sutton
Surrey SM1 4LD

AUDITORS

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

Securicor Neal & Massy Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Securicor Neal & Massy Limited for the year ended 30 September 1996.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was of a holding company of participating interests providing all forms of industrial security, and as a vehicle for the receipt of Technical Assistance fees from investments in the Americas.

REVIEW OF THE BUSINESS

The directors consider the results for the year to be satisfactory and that future results will be of a similar nature.

DIVIDENDS

The directors do not recommend the payment of a dividend.

DIRECTORS

The following directors have held office since 1 October 1995:

HW McKay
RG Hawkins
SJT Hornby
JR Pazos
CD Maingot
A Legarza

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

No director, who is not also a holding company director, had any interest in the share capital of the company or its ultimate holding company, Securicor Plc.

No comparative figures are shown as the directors' interest were, at that time, in shares of Securicor Group plc and Security Services plc.

The following options were granted to directors, who are not holding company directors, over ordinary shares in Securicor plc during the year:

	Number of shares
RG Hawkins	57,140
SJT Hornby	20,400

FIXED ASSETS

The significant changes in fixed assets during the year are detailed in notes 5, 6 and 7 to the financial statements.

Securicor Neal & Massy Limited

DIRECTORS' REPORT

AUDITORS

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

By order of the board



AP Munson
Secretary

10 January 1997

Securicor Neal & Massy 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. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF SECURICOR NEAL & MASSY LIMITED

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

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 September 1996 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BAKER TILLY

Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

10 January 1997

Securicor Neal & Massy Limited

PROFIT AND LOSS ACCOUNT

for the year ended 30 September 1996

	<i>Notes</i>	1996 £	1995 £
TURNOVER	1	422,094	23,324
Administrative expenses		(334,312)	(34,848)
OPERATING PROFIT/(LOSS)		87,782	(11,524)
Other interest receivable and similar income		1,082	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	1&2	88,864	(11,524)
Taxation	4	(30,000)	(11,220)
RETAINED PROFIT/(LOSS) FOR THE YEAR	12	58,864	(22,744)

The profit for the year arises from the company's continuing operations.

No separate statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

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

Securicor Neal & Massy Limited

BALANCE SHEET

30 September 1996

	Notes	1996 £	1995 £
FIXED ASSETS			
Tangible assets	5	15,845	8,639
Intangible assets	6	-	705
Investments	7	1,210,644	609,300
		<u>1,226,489</u>	<u>618,644</u>
CURRENT ASSETS			
Debtors	8	364,226	26,400
Cash at bank and in hand		72,922	-
		<u>437,148</u>	<u>26,400</u>
CREDITORS: Amounts falling due within one year	9	(810,526)	(56,488)
NET CURRENT LIABILITIES		<u>(373,378)</u>	<u>(30,088)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		853,111	588,556
CREDITORS: Amounts falling due after more than one year	10	(815,258)	(609,300)
		<u>37,853</u>	<u>(20,744)</u>
CAPITAL AND RESERVES			
Called up share capital	11	2,000	2,000
Profit and loss account	12	35,853	(22,744)
		<u>37,853</u>	<u>(20,744)</u>

Approved by the board on 10 January 1997
and signed on its behalf by:

Director



Securicor Neal & Massy Limited

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 30 September 1996

	1996 £
Profit for the financial year after taxation	58,864
Currency translation differences (see note 12)	(267)
Total recognised gains relating to the year	<u>58,597</u>

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1996 £
Profit for the financial year after taxation	58,864
Currency translation differences (see note 12)	(267)
Net increase in shareholders' funds	<u>58,597</u>
Shareholders' funds at 1 October 1995	(22,744)
Shareholders' funds at 30 September 1996	<u>35,853</u>

Securicor Neal & Massy Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost.

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

Office equipment	4-6 years
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DEFERRED TAXATION

Provision is made for taxation deferred or accelerated by the effect of timing differences, to the extent that it is probable that a liability will crystallise, at the rate expected to be ruling at that date.

TURNOVER

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

FOREIGN CURRENCIES

Transactions denominated 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.

INVESTMENTS

Investments in participating interests are shown, at cost, as fixed asset investments.

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

Securicor Neal & Massy Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 1996

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit on ordinary activities before taxation are is derived from overseas operations.

2	PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	1996 £	1995 £
	Auditors' remuneration	2,000	-
	Depreciation and amounts written off tangible fixed assets:		
	Charge for the year:		
	tangible owned assets	3,247	-
	Amortisation	705	-
		<u> </u>	<u> </u>

3	EMPLOYEES	1996 No.	1995 No.
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The average weekly number of persons (including directors) employed by the company during the year was:

Management	3	3
	<u> </u>	<u> </u>

No director received any remuneration during the year.

4	TAXATION	1996 £	1995 £
	Based on the result for the year:		
	UK corporation tax	30,000	11,220
		<u> </u>	<u> </u>

Securicor Neal & Massy Limited
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 30 September 1996

5	TANGIBLE FIXED ASSETS	Office equipment £
	Cost or valuation	
	30 September 1995	9,556
	Additions	10,938
	Translation	122
	30 September 1996	<u>20,616</u>
	Depreciation	
	30 September 1995	917
	Charged in the year	3,247
	Translation	607
	30 September 1996	<u>4,771</u>
	Net book value	
	30 September 1996	<u>15,845</u>
	30 September 1995	<u>8,639</u>
6	INTANGIBLE FIXED ASSETS	Organisation costs £
	Cost:	
	1 October 1995 and 30 September 1996	<u>829</u>
	Amortisation	
	1 October 1995	124
	Charge in year	705
		<u>829</u>
	Net Book Value	
	30 September 1996	<u>NIL</u>
	30 September 1995	<u>705</u>

Securicor Neal & Massy Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 1996

7	FIXED ASSETS INVESTMENTS	Associates £
	Cost and net book value	
	1 October 1995	609,300
	Additions	593,532
	Translation	7,812
	30 September 1996	<u>1,210,644</u>

Name of company	Nature of business	Country of incorporation
Securicor Segura S.A.	Security services	Costa-Rica
Securicor Segura S.A.	Security services	Dominican Republic

The above holdings represent a 50% interest in the ordinary share capital of the companies.

Securicor Neal & Massy Limited is a subsidiary undertaking of Securicor plc, both companies are registered in England and Wales. Copies of the group accounts of Securicor plc can be obtained from Sutton Park House, 15 Carshalton Road, Sutton, Surrey, SM1 4LD.

The company has taken advantage of the exemption conferred by section 228 of the Companies Act 1985 from the requirement to prepare group accounts.

8	DEBTORS	1996 £	1995 £
	Due within one year:		
	Amounts owed by group companies	111,301	6,909
	Amounts owed by associated undertakings	202,874	18,415
	Prepayments and accrued income	23,331	1,076
	Withholding tax	26,720	-
		<u>364,226</u>	<u>26,400</u>

9	CREDITORS: Amounts falling due within one year	1996 £	1995 £
	Trade creditors	35,870	-
	Amounts owed to group undertakings	716,127	19,952
	Amounts owed to associated undertakings	986	-
	Other creditors	-	34,321
	Corporation tax	30,000	-
	Accruals and deferred income	27,543	2,215
		<u>810,526</u>	<u>56,488</u>

Securicor Neal & Massy Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 1996

	1996 £	1995 £
10 CREDITORS: Amounts falling due in more than one year		
Amounts owed to fellow subsidiary undertaking	815,258	310,743
Amounts owed to third party	-	298,557
	<u>815,258</u>	<u>609,300</u>

The amount owed to a fellow subsidiary undertaking are unsecured and interest free.

The amounts owed to the third party are unsecured and interest free.

11 SHARE CAPITAL	1996 £	1995 £
Authorised:		
100,000 ordinary shares of £1 each	100,000	100,000
	<u> </u>	<u> </u>
Allotted, issued and fully paid:		
2,000 ordinary shares of £1 each	2,000	2,000
	<u> </u>	<u> </u>
12 PROFIT AND LOSS ACCOUNT	1996 £	1995 £
1 October 1995	(22,744)	-
Profit/(loss) for the financial year	58,864	(22,744)
Exchange difference	(267)	-
30 September 1996	<u>35,853</u>	<u>(22,744)</u>

13 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.