

# Securicor Management Services Limited

## FINANCIAL STATEMENTS

for the year ended

30 September 1999



A20  
COMPANIES HOUSE  
0323  
05/08/00  
COMPANIES HOUSE  
25/07/00

# Securicor Management Services Limited

## DIRECTORS AND OFFICERS

---

### DIRECTORS

RSWH Wiggs  
CC Shirtcliffe  
NE Griffiths  
JJ Pack  
A Chapman  
NC Norton  
PM Stansfield

### SECRETARY

AP Munson

### COMPANY NUMBER

835411 (England and Wales)

### REGISTERED OFFICE

Sutton Park House  
15 Carshalton Road  
Sutton  
Surrey SM1 4LD

### AUDITORS

Baker Tilly  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

# Securicor Management Services Limited

## DIRECTORS' REPORT

---

The directors submit their report and the financial statements of Securicor Management Services Limited for the year ended 30 September 1999.

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was to provide administrative and management services to the Securicor Group of companies.

### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The directors consider that the company's state of affairs is satisfactory and that future results will be of a similar nature.

### DIVIDENDS

The company is precluded from the payment of a dividend.

### DIRECTORS

The following directors have held office during the year:

RSWH Wiggs  
CC Shirlcliffe  
NE Griffiths  
JJ Pack  
RP Taylor (resigned 28 October 1998)  
A Chapman  
NC Norton  
PM Stansfield

### DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

Apart from options over ordinary shares in Securicor plc, no director, who is not a holding company director, had any interest in the share capital of the company or of its ultimate holding company, Securicor plc.

### SHARE OPTIONS

The following options were granted to directors, who are not holding company directors, over the ordinary shares in Securicor (1996) plc, during the year:

	<i>Number of shares</i>
A Chapman	8,070
JJ Pack	21,300
NC Norton	8,940

### FIXED ASSETS

The significant changes in fixed assets during the year are detailed in note 7 to the financial statements.

### CHARITABLE CONTRIBUTIONS

During the year the company made charitable contributions totalling £23,312 (1998: £17,175).

# Securicor Management Services Limited

## DIRECTORS' REPORT

---

### YEAR 2000

The company has completed a comprehensive Year 2000 compliance programme and to date no significant problems have arisen.

### INTRODUCTION OF THE EURO

All relevant parts of the Group will be able to handle euro transactions when required.

### MARKET VALUE OF LAND AND BUILDINGS

The directors are of the opinion that the market value of properties at 30 September 1999 would exceed the net book values included in the financial statements. They are unable to quantify this excess in the absence of a professional valuation, the costs of which are not considered justifiable in view of the company's intention to retain ownership of its existing properties for use in its business for the foreseeable future.

### 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 succeeding financial years.

By order of the board



AP Munson  
Secretary

10 January 2000

# Securicor Management Services 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.

## AUDITORS' REPORT TO THE MEMBERS OF SECURICOR MANAGEMENT SERVICES LIMITED

We have audited the financial statements on pages 6 to 15.

### **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.

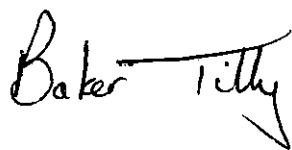
### **Basis of opinion**

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 1999 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 2000

# Securicor Management Services Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 30 September 1999

	Notes	1999 £	(Restated) 1998 £
TURNOVER	1	22,932,408	23,549,864
Cost of sales		-	-
Gross profit		22,932,408	23,549,864
Operating expenses (net)	2	22,068,630	22,740,258
OPERATING PROFIT		863,778	809,606
Interest payable	3	863,778	809,606
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	-	-
Taxation	6	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION, RETAINED	14	-	-

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

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

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	1999 £	Restated 1998 £
Profit for the financial year	-	-
Prior year adjustment (see note 17)	(703,000)	-
Total recognised gains and (losses) relating to the year	(703,000)	-

# Securicor Management Services Limited

## BALANCE SHEET

30 September 1999

	Notes	1999 £	(Restated) 1998 £
<b>FIXED ASSETS</b>			
Tangible assets	7	16,773,312	17,666,021
<b>CURRENT ASSETS</b>			
Debtors	8	11,248,498	9,875,217
Cash at bank and in hand		-	-
		11,248,498	9,875,217
<b>CREDITORS: Amounts falling due within one year</b>	9	(4,604,514)	(4,081,121)
<b>NET CURRENT ASSETS</b>		6,643,984	5,794,096
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		23,417,296	23,460,117
<b>CREDITORS: Amounts falling due after more than one year</b>	10	(23,420,196)	(23,233,017)
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	11	(700,000)	(930,000)
		(702,900)	(702,900)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	100	100
Profit and loss account	14	(703,000)	(703,000)
		(702,900)	(702,900)

Subsequent to the year end the authorised share capital will be increased to £3,000,000 and £1,999,900 of the interest free inter-company loan of over one year will be converted into issued share capital.

Approved by the board on 10 January 2000



Director

Director



# Securicor Management Services Limited

## ACCOUNTING POLICIES

---

### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards and based upon the continued support of group companies.

### TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost.

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:-

Freehold property		over 50 years
Leasehold property	- long lease	over 50 years
	- short lease	over the term of the lease
Equipment and vehicles		over 2 to 15 years.

### 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.

### LEASED ASSETS AND OBLIGATIONS

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

### PENSION CONTRIBUTIONS

The costs of providing pensions for employees are charged to the profit and loss account over the average working life of employees in accordance with the recommendations of qualified actuaries. Any funding surplus or deficit which may arise from time to time is amortised over the average working life of employees.

### TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of services provided to group companies.

### PROVISION

FRS 12 was adopted with effect from 1 October 1998. Due to the initial implementation arrangements for this standard, the comparatives for the year ended 30 September 1998 and opening balances have been restated to reflect the new guidelines regarding recognition of provisions (see note 17).

# Securicor Management Services Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 1999

	1999	1998
	£	£
1 TURNOVER		
Turnover	22,459,617	23,274,654
Rent receivable	472,791	275,210
	<u>22,932,408</u>	<u>23,549,864</u>

All turnover was derived from the company's principal business in the UK.

	1999	1998
	£	£
2 OPERATING EXPENSES (net)		
Administration expenses	22,068,630	22,740,258
	<u>22,068,630</u>	<u>22,740,258</u>

	1999	1998
	£	£
3 INTEREST PAYABLE		
On bank loans, overdrafts and other loans wholly repayable within five years:		
bank overdrafts	21,653	24,481
other - intra company	785,125	785,125
- other	57,000	-
	<u>863,778</u>	<u>809,606</u>

	1999	1998
	£	£
4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
Profit on ordinary activities before taxation is stated after charging:		
Depreciation and amounts written off tangible fixed assets:		
Charge for the year - owned assets	633,242	631,953
Auditors' remuneration	11,000	11,000
Charitable donations	23,312	17,175
(Profit)/loss on disposal of fixed assets	(40,609)	43,354
Operating lease rentals:		
land and buildings	1,017,146	936,512
	<u>1,017,146</u>	<u>936,512</u>
and after crediting:		
Rent receivable	472,791	275,210
	<u>472,791</u>	<u>275,210</u>

# Securicor Management Services Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 1999

5	EMPLOYEES	1999 No.	1998 No.
	The average weekly number of persons (including directors) employed by the company during the year was:		
	Management	30	36
	Administration	69	92
		<u>99</u>	<u>128</u>

Staff costs for the above employees are:

	£	£
Wages and salaries	4,466,467	5,437,056
Social security	149,276	161,633
Other pension costs	94,626	127,435
	<u>4,710,369</u>	<u>5,726,124</u>

### DIRECTORS' REMUNERATION

	1999 £	1998 £
Aggregate emoluments	<u>1,612,836</u>	<u>2,307,083</u>
Directors' fees and other emoluments include amounts paid to the highest paid director:		
Aggregate emoluments	513,531	366,371
Accrued pension	<u>233,000</u>	<u>194,000</u>

### PENSIONS

The company's share of the costs of the group's defined benefit pensions schemes amounted to £94,626 (1998: £127,435).

The pension costs are assessed on the advice of independent qualified actuaries using the projected unit credit method. The most recent actuarial valuation was 5 April 1999. The assets of the schemes are held in separate trustee administered funds.

Full particulars of the pension scheme are disclosed in the published accounts of Securicor (1996) plc.

6	TAXATION	1999 £	1998 £
	Based on the result for the year		
	UK corporation tax at 31%	-	-
		<u>-</u>	<u>-</u>

# Securicor Management Services Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 1999

### 7 TANGIBLE FIXED ASSETS

	<i>Freehold property</i> £	<i>Leasehold Properties Long term</i> £	<i>Short term</i> £	<i>Equipment and vehicles</i> £	<i>Total</i> £
Cost or valuation					
1 October 1998	17,249,283	361,579	64,785	3,940,155	21,615,802
Additions	15,846	-	-	21,223	37,069
Disposals	-	(268,488)	-	(138,443)	(406,931)
Transfer to group undertakings	-	-	-	(87,076)	(87,076)
30 September 1999	17,265,129	93,091	64,785	3,735,859	21,158,864
Depreciation					
1 October 1998	1,353,872	32,899	7,824	2,555,186	3,949,781
Charged in the year	270,522	6,540	4,028	352,152	633,242
Disposals	-	(13,378)	-	(126,121)	(139,499)
Transfer to group undertakings	-	-	-	(57,972)	(57,972)
30 September 1999	1,624,394	26,061	11,852	2,723,245	4,385,552
Net book value					
30 September 1999	15,640,735	67,030	52,933	1,012,614	16,773,312
30 September 1998	15,895,411	328,680	56,961	1,384,969	17,666,021

### 8 DEBTORS

	1999 £	1998 £
Due within one year:		
Trade debtors	16,310	988,040
Amounts owed by group undertaking	7,883,550	2,596,817
Amounts owed by associated undertakings	772,077	5,433
Other debtors	2,305,406	5,908,280
Prepayments and accrued income	271,155	376,647
	11,248,498	9,875,217
	1999 £	1998 £

### 9 CREDITORS: Amounts falling due within one year

Bank loans and overdrafts	809,741	1,418,840
Trade creditor	1,040,282	193,491
Amounts owed to group undertakings	645,601	968,361
Amounts owed to associated undertakings	38,012	-
Other taxation and Social Security costs	379,480	426,118
Other creditors	182,404	217,912
Accruals and deferred income	1,508,994	856,399
	4,604,514	4,081,121

# Securicor Management Services Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 1999

	1999 £	1998 £
10 CREDITORS: Amounts falling due in more than one year		
Amount owed to group undertakings	23,420,196	23,233,017
11 PROVISIONS FOR LIABILITIES AND CHARGES		Onerous Leases £
At 1 October 1998 (as reported)		-
Prior year adjustment		930,000
At 1 October 1998 (as restated)		930,000
Utilised in the year		(288,000)
Transfer from profit and loss		58,000
Balance at 30 September 1999		700,000
The above provision has been recognised for expected short fall in rent receivable against rent payable on various leased properties.		
12 SHARE CAPITAL	1999 £	1998 £
Authorised:		
100,000 ordinary shares of £1 each	100,000	100,000
Allotted, issued and fully paid:		
100 ordinary shares of £1 each	100	100
13 PROFIT AND LOSS ACCOUNT	1999 £	
1 October 1998 (as reported)	-	
Prior year adjustment	703,000	
1 October 1998 (as restated)	703,000	
Retained profit for the year	-	
30 September 1999	703,000	

# Securicor Management Services Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 1999

14	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	1999 £	
	Profit for the financial year	-	
	Prior year adjustment	(703,000)	
	Net decrease in shareholders' funds	(703,000)	
	Opening shareholders' funds	100	
	Closing shareholders' funds	(702,900)	
15	COMMITMENTS UNDER OPERATING LEASES At 30 September 1999 the company had annual commitments under non-cancellable operating leases as follows:	1999 £	1998 £
	Land and Buildings		
	within one year	70,000	66,000
	between 2 to 5 years	127,000	32,000
	after 5 years	811,106	906,506
		1,008,106	1,004,506
16	CONTINGENT LIABILITIES		
	a) 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.		
	b) The company, together with certain other group companies, is jointly and severally liable under the terms of a guarantee provided in respect of a revolving credit loan facility granted to Security Services Plc.		

# Securicor Management Services Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 1999

### 17 PRIOR YEAR ADJUSTMENT

As a result of the new accounting standard FRS12 - Provisions, Contingent Assets and Contingent Liabilities that was adopted with effect from 1 October 1998, the company has made prudent provision against estimated future liabilities for all onerous property contracts which relate to leased properties sub-let at a short fall and to long-term idle properties. The provision is based on the value of future net cash outflows relating to rent, rates, service charges and costs of marketing the properties. Prior period figures have been restated to incorporate this new accounting policy and, therefore, the opening balances for the current year would have been restated as follows:

	£000	£000
Corporation tax (within debtors)		
As reported		-
Prior year adjustment (FRS 12)		227,000
As restated		<u>227,000</u>
Provisions:		
As reported		-
Prior year adjustment (FRS 12)		(930,000)
As restated		<u>(930,000)</u>
Profit and loss reserve:		
As reported		-
Prior year adjustment:		
Provision for onerous property contracts (FRS 12)	(930,000)	
Tax relief on FRS 12 provision	227,000	
	<u></u>	<u>(703,000)</u>
As restated		<u>(703,000)</u>

### 18 ULTIMATE PARENT COMPANY

At 30 September 1999 the ultimate holding company was Securicor (1996) plc which is registered in England and Wales. Copies of the group accounts of Securicor (1996) plc can be obtained from Sutton Park House, 15 Carshalton Road, Sutton, Surrey SM1 4LD.

Under a Scheme of Arrangement completed in November 1999 the Securicor group was reconstructed and the ultimate holding company became Securicor plc which is registered in England and Wales.

	1999	1998
	£	£
19 CAPITAL COMMITMENTS		
At 30 September 1999 the following capital commitments were present:		
Contracted but not provided for	NIL	NIL
	<u></u>	<u></u>

# Securicor Management Services Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 1999

---

### 20 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.

The following amounts were outstanding from related parties at the year end:

	Activity	Debtor year end balance £	Creditor year end balance £
Securicor Omega Express Limited	Distribution	579,413	7,705
Securicor Omega International Limited	Distribution	20,553	-
Securicor Omega Container Logistics Limited	Distribution	61,001	-
Securicor Omega Logistics Limited	Distribution	34,034	-
Securicor Vehicle Services Limited	Distribution	50,714	3,171
Securicor Fuelserve Limited	Distribution	21,558	-

All the above companies are 50% owned by fellow subsidiary undertakings of Securicor Management Services Limited.

From 1 April 1999, when these companies became related companies, services totalling £1,890,055 were provided by Securicor Management Services Limited. Interest was also paid to Securicor Omega Holdings Limited of £250,442 by Securicor Management Services Limited.