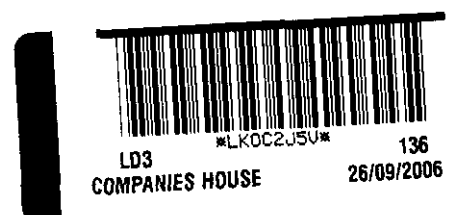


Securicor Limited  
(Formerly Securicor plc)

FINANCIAL STATEMENTS

for the year ended  
31 December 2005



# Securicor Limited

## DIRECTORS AND OFFICERS

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### DIRECTORS

NP Buckles  
ILE Cowden  
TL Dighton  
NE Griffiths

### SECRETARY

NE Griffiths

### REGISTERED OFFICE

The Manor  
Manor Royal  
Crawley  
West Sussex  
RH10 9UN

### AUDITORS

KPMG Audit Plc  
8 Salisbury Square  
London  
EC4Y 8BB

# Securicor Limited

## DIRECTORS' REPORT

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The directors submit their report and the financial statements of Securicor Limited for the year ended 31 December 2005.

### PRINCIPAL ACTIVITIES

The principal activity of the company is that of a holding company.

### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

On 9 August 2005 the company reregistered as a private limited company. The directors consider the state of affairs of the business to be satisfactory.

### DIVIDENDS

The directors do not recommend the payment of a dividend (2004: £4,537,000).

### DIRECTORS

The following directors have held office since 1 January 2005:

NP Buckles  
ILE Cowden  
TL Dighton  
NE Griffiths

### DIRECTORS' INTERESTS IN SHARES AND SHARE OPTIONS

The following directors, who are not holding company directors, have interests, including family interests, in the share capital of the parent company, Group 4 Securicor plc

	<i>Ordinary shares of 25p each 31.12.05</i>	<i>Ordinary shares of 25p each 31.12.04</i>
ILE Cowden	255,045	255,045
NE Griffiths	431,361	431,361

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).

	<i>Number of shares conditionally awarded</i>
ILE Cowden	177,020

# Securicor Limited

## DIRECTORS' REPORT

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### AUDITORS

KPMG Audit Plc were appointed auditors during the year. A resolution to re-appoint KPMG Audit Plc and for their remuneration to be fixed by the directors will be submitted at the next annual general meeting.

By order of the board



NE Griffiths  
Secretary

21<sup>st</sup> September 2006

# Securicor Limited

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SECURICOR LIMITED

We have audited the financial statements of Securicor Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 auditor's 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 opinions we have formed.

## Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 4, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

## Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31<sup>st</sup> December 2005 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*  
KPMG Audit Plc  
Chartered Accountants  
Registered Auditor  
London

21<sup>st</sup> September 2006

**Securicor Limited**  
**PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 December 2005**

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	<i>Notes</i>	Year ended 31 December 2005 £000	15 months ended 31 December 2004 £000
Restructuring costs	1	-	(21,500)
Interest receivable and similar income	2	-	6,806
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST PAYABLE		-	(14,694)
Interest payable and similar charges	3	(26,171)	(1,968)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(26,171)	(16,662)
Taxation	5	12,143	3,444
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(14,028)	(13,218)
Dividends	6	-	(4,537)
RETAINED LOSS FOR THE PERIOD	11	(14,028)	(17,755)

The operating result for the period 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.

# Securicor Limited

## BALANCE SHEET

31 December 2005

	Notes	31 December 2005 £000	31 December 2004 £000
<b>FIXED ASSETS</b>			
Investments	7	1,124,000	1,124,050
<b>CURRENT ASSETS</b>			
Debtors	8	7,851	589
Cash at bank		1	69
		7,852	658
<b>CREDITORS</b>			
Amounts falling due within one year	9	(474,949)	(453,777)
<b>NET CURRENT LIABILITIES</b>		(467,097)	(453,119)
<b>NET ASSETS</b>		656,903	670,931
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	31,895	31,895
Capital redemption reserve	11	16,991	16,991
Profit and loss account	11	608,017	622,045
<b>EQUITY SHAREHOLDERS' FUNDS</b>	12	656,903	670,931

Approved by the board on 21<sup>st</sup> September 2006

NE GARRINIS Director





# Securicor Limited

## ACCOUNTING POLICIES

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The following accounting policies, which became applicable for the first time in 2005, have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

- FRS 17 : Retirement benefits
- FRS 21 : Events after the balance sheet date
- FRS 28 : Corresponding amounts

FRS 28 has not had a material effect as it imposes the same requirements for comparatives as hitherto required by the Companies Act 1985.

### BASIS OF ACCOUNTING

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards.

The Company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

### INVESTMENTS

Long term investments in subsidiary undertakings are classified as fixed assets and stated at cost.

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

### TAXATION

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

### FOREIGN CURRENCIES

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

# Securicor Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2005

1	EXCEPTIONAL ITEM	Year ended 31 December 2005 £000	15 months ended 31 December 2004 £000
	Restructuring costs incurred due to the acquisition by Group 4 Securicor plc	-	(21,500)
		-	(21,500)
2	INTEREST RECEIVABLE AND SIMILAR INCOME	Year ended 31 December 2005 £000	15 months ended 31 December 2004 £000
	Exchange gains on foreign currency borrowings	-	6,806
		-	6,806
3	INTEREST PAYABLE AND SIMILAR CHARGES	Year ended 31 December 2005 £000	15 months ended 31 December 2004 £000
	Interest payable on unsecured borrowings	-	1,968
	Interest payable to group companies	26,171	-
		26,171	1,968
4	EMPLOYEES	Year ended 31 December 2005 No	15 months ended 31 December 2004 No
	The average monthly number of persons (including directors) employed by the company during the period was:		
	Management	4	4

### DIRECTORS' REMUNERATION

The directors received no emoluments in the year in respect of their services to the company (2004: £nil).

# Securicor Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2005

### 5 TAXATION

	Year ended 31 December 2005 £000	15 months ended 31 December 2004 £000
<i>Current tax:</i>		
UK corporation tax credit on losses of the period	(7,851)	(589)
Adjustments in respect of previous periods	(4,292)	(2,855)
<b>Tax on loss on ordinary activities</b>	<b>(12,143)</b>	<b>(3,444)</b>

	Year ended 31 December 2005 £000	15 months ended 31 December 2004 £000
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Factors affecting tax credit for period:

The tax assessed for the period is the same as (2004: lower) than the standard rate of corporation tax in the UK (30%). The differences are explained below:

Loss on ordinary activities before tax	(26,171)	(16,662)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK 30% (2004: 30%)	(7,851)	(4,999)
Effects of:		
Non taxable items	-	4,950
Adjustment in respect of share options exercised	-	(540)
Adjustment to tax charge in respect of previous periods	-	(2,855)
<b>Tax credit for period</b>	<b>(7,851)</b>	<b>(3,444)</b>

### 6 DIVIDENDS

	Year ended 31 December 2005 £000	15 months ended 31 December 2004 £000
Interim dividend	-	4,537
	-	4,537

# Securicor Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2005

### 7 FIXED ASSET INVESTMENTS

	Subsidiary undertakings £000	Group 4 Securicor plc redeemable preference shares £000	Total £000
Cost:			
1 January 2005	1,201,473	50	1,201,523
Redeemed	-	(50)	(50)
31 December 2005	1,201,473	-	1,201,473
Provisions:			
1 January 2005	77,473	-	77,473
31 December 2005	77,473	-	77,473
Net book value:			
31 December 2005	1,124,000	-	1,124,000
31 December 2004	1,124,000	50	1,124,050

The company holds more than 20% of the equity of the following undertakings:

Subsidiary undertakings	Country of incorporation	Class of holding	Proportion directly held	Nature of business
Securicor (1996) Limited	England	Ordinary	100%	Holding company
Securicor Group Limited	England	Ordinary	100%	Holding company

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 is itself a wholly owned subsidiary. Accordingly the accounts present information about the entity as an individual undertaking and not about its group.

### 8 DEBTORS

	31 December 2005 £000	31 December 2004 £000
Other debtors	7,851	589
	7,851	589

# Securicor Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2005

9	CREDITORS: Amounts falling due within one year			31 December 2005 £000	31 December 2004 £000
	Amounts owed to group undertakings			474,949	453,777
				<u>474,949</u>	<u>453,777</u>
10	SHARE CAPITAL				
		2005		2004	
		Allotted, issued and fully paid		Allotted, issued and fully paid	
		£		£	
	Ordinary shares of 5 <sup>15</sup> / <sub>17</sub> pence each	40,000,000	31,895,416	40,000,000	31,895,416
		<u>40,000,000</u>	<u>31,895,416</u>	<u>40,000,000</u>	<u>31,895,416</u>
			Number		
	Ordinary shares in issue at 1 January 2005 and 31 December 2005		542,222,079		
			<u>542,222,079</u>		
11	RESERVES				
		Profit and loss account £000	Capital redemption reserve £000	Total £000	
	At 1 January 2005	622,045	16,991	639,036	
	Retained deficit	(14,028)	-	(14,028)	
	At 31 December 2005	<u>608,017</u>	<u>16,991</u>	<u>625,008</u>	
12	RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS				
		31 December 2005 £000	31 December 2004 £000		
	Loss on ordinary activities after taxation	(14,028)	(13,218)		
	Dividends	-	(4,537)		
		<u>(14,028)</u>	<u>(17,755)</u>		
	Net share capital subscribed	-	10,309		
	Movement in Employee benefit trust reserve	-	2,367		
	Net reduction in shareholders' funds	<u>(14,028)</u>	<u>(5,079)</u>		
	Opening equity shareholders' funds	670,931	676,010		
	Closing equity shareholders' funds	<u>656,903</u>	<u>670,931</u>		

# Securicor Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2005

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### 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. The liability of the UK group registration at 31 December 2005 totalled £18,042,909.

### 14 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under Financial Reporting Standard 8 relating to 90% subsidiary undertakings and has not disclosed details of transactions with other undertakings, associates and joint ventures within the Group 4 Securicor plc group.

### 15 ULTIMATE PARENT COMPANY

The ultimate holding company of Securicor 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.