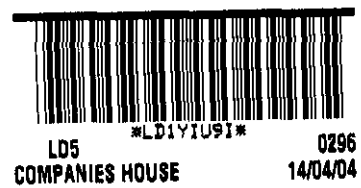


Securicor International Limited

FINANCIAL STATEMENTS

for the year ended

30 September 2003



Securicor International Limited

DIRECTORS AND OFFICERS

DIRECTORS

NE Griffiths
TL Dighton
NP Buckles
IE Cowden

SECRETARY

LK Gateson

REGISTERED OFFICE

Sutton Park House
15 Carshalton Road
Sutton
Surrey SM1 4LD

AUDITORS

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

Securicor International Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Securicor International Limited for the year ended 30 September 2003.

PRINCIPAL ACTIVITIES

The principal activity of the company continues to be that of a holding company to subsidiaries.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company continues to act as a holding company within the Securicor plc group.

The directors consider the results for the year to be satisfactory.

DIVIDENDS

The directors do not recommend the payment of a final dividend (2002: £900,000).

DIRECTORS

The following directors have held office during the year:

NE Griffiths
TL Dighton
NP Buckles
IE Cowden (appointed 17 December 2002)

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 parent company, Securicor plc, at any time during the year.

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



LK Gateson
Secretary

4 December 2003

Securicor International 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 INTERNATIONAL LIMITED

We have audited the financial statements on pages 5 to 12.

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 30 September 2003 and of its profit 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

4 December 2003

Securicor International Limited

PROFIT AND LOSS ACCOUNT

for the year ended 30 September 2003

	<i>Notes</i>	2003 £'000	2002 £'000
Other operating income	1	292	263
Other operating costs		248	(1,043)
Operating profit/(loss)		<u>540</u>	<u>(780)</u>
Investment income	2	7,302	9,311
		<u>7,842</u>	<u>8,531</u>
Interest payable	3	-	(168)
Profit on sale of property		140	-
Exceptional item – loss on investment write down	4	(2,229)	(779)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	<u>5,753</u>	<u>7,584</u>
Taxation	7	(1,064)	(357)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>4,689</u>	<u>7,227</u>
Dividends	8	-	(900)
RETAINED PROFIT FOR THE YEAR	15	<u>4,689</u>	<u>6,327</u>

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

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 30 September 2003

	2003 £'000	2002 £'000
Retained profit for the year	4,689	6,327
Translation adjustments on foreign currency net investments	-	(1,811)
Total losses recognised since last annual report	<u>4,689</u>	<u>4,516</u>

Securicor International Limited

BALANCE SHEET

30 September 2003

	Notes	2003 £'000	2002 £'000
FIXED ASSETS			
Investments	9	130,093	127,000
CURRENT ASSETS			
Debtors	10	633	21,151
Cash at bank and in hand		17	31
		<u>650</u>	<u>21,182</u>
CREDITORS: Amounts falling due within one year	11	(802)	(493)
NET CURRENT (LIABILITIES)/ASSETS		<u>(152)</u>	<u>20,689</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		129,941	147,689
CREDITORS: Amounts falling due after more than one year	12	(109,725)	(132,162)
		<u>20,216</u>	<u>15,527</u>
CAPITAL AND RESERVES			
Called up share capital	13	15,427	15,427
Capital reserve	14	11	11
Profit and loss account	15	4,778	89
EQUITY SHAREHOLDERS' FUNDS	16	<u>20,216</u>	<u>15,527</u>

Total debtors includes £611,000 (2002 : £611,000) due after more than one year.

Approved by the board on 4 December 2003

Director

Securicor International Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

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 Group's taxable profits and its results as stated in the financial statements.*

Deferred tax is recognised in respect of the retained earnings of overseas subsidiaries and associates only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future has been entered into by the subsidiary or associate.

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.

TURNOVER

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

FOREIGN CURRENCIES

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. 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 subsidiary undertakings are shown, at cost, as fixed asset investments.

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

LEASES

Annual rentals receivable under operating leases are credited to the profit and loss account as incurred.

PENSIONS

The company is included in the Group defined benefit pension scheme and defined contribution scheme. The contributions to the schemes are charged to the profit and loss account on a basis that spreads the expected cost of providing pensions over the employees' working lives with the Group.

Securicor International Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2003

		2003 £'000	2002 £'000
1	OTHER INCOME		
	Royalty income	255	263
	Licence fee	37	-
		<u>292</u>	<u>263</u>
2	INVESTMENT INCOME		
	Income from fixed asset investments:		
	Subsidiaries	7,302	8,093
	Interest receivable	-	1,218
		<u>7,302</u>	<u>9,311</u>
3	INTEREST PAYABLE		
	Other interest	-	168
4	EXCEPTIONAL ITEM		
	The exceptional item relates to the write-off of a current asset investment balance for £2.229m deemed irrecoverable by the directors (2002: loss on disposal of Securicor Recruitment Services Limited of £0.226m and a loss on a partial disposal of Securicor Gray (South Africa) Limited of £0.553m).		
5	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
	Profit on ordinary activities before taxation is stated after charging:		
	Exchange (profit)/loss	(259)	18
	Auditors' remuneration	11	8
	Impairment to fixed asset investments	-	885
6	EMPLOYEES		
	The average weekly number of persons (including directors) employed by the company during the year was:		
	Management	4	4

No directors' remuneration or payroll costs were incurred during the year.

Securicor International Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2003

7	TAXATION	2003 £'000	2002 £'000
	Current tax:		
	UK corporation tax on profits of the period	1,273	357
	Adjustments in respect of previous periods	(209)	-
		<hr/>	<hr/>
	Tax on profit on ordinary activities	1,064	357
		<hr/>	<hr/>
	Factors affecting tax charge for period:	2003 £'000	2002 £'000
	The tax assessed for the period is higher than the standard rate of corporation tax in the UK (30%). The differences are explained below:		
	Profit on ordinary activities before tax	5,753	7,584
		<hr/>	<hr/>
	Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 30% (2002: 30%)	1,726	2,275
	Effects of:		
	(Income not taxable)/expenses not deductible for tax purposes	(453)	526
	Non-taxable income	-	(2,444)
	Adjustment in respect of previous periods	(209)	-
		<hr/>	<hr/>
	Tax charge for period	1,064	357
		<hr/>	<hr/>
8	DIVIDENDS	2003 £'000	2002 £'000
	£Nil (2002: Final 5.83p per ordinary share)	-	900
		<hr/>	<hr/>
9	FIXED ASSET INVESTMENTS		Subsidiary undertakings £'000
	Cost:		
	1 October 2002		129,957
	Additions		23,299
	Disposals		(20,206)
			<hr/>
	30 September 2003		133,050
			<hr/>
	Provisions:		
	1 October 2002 and 30 September 2003		2,957
			<hr/>
	Net book value:		
	30 September 2003		130,093
			<hr/>
	30 September 2002		127,000
			<hr/>

Securicor International Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2003

9 FIXED ASSET INVESTMENTS (*continued*)

The company holds more than 10% equity of the following undertakings:

Name of company	Country of registration	Class of holding	Proportion directly held	Nature of business
Securicor International Holdings SA	France	Ordinary	100%	Security Services
Securicor EMS Inc.	USA	Ordinary	100%	Security Services
Securicor International Valuables Transport Inc	USA	Ordinary	100%	Security Services
Securicor (Canada) Limited	Canada	Ordinary	100%	Security Services
Securicor Gray (South Africa) (Pty) Limited	South Africa	Ordinary	76.68%	Security Services
Argenbright Security Inc.	USA	Ordinary	100%	Security Services
JS Holdings	British Virgin Islands	Ordinary	100%	Security Services
Geldnet Holdings BV	Netherlands	Ordinary	100%	Security Services
Securicor International valuables Transport (Africa) Pty Limited	South Africa	Ordinary	100%	Security Services
Securicor International Valuables Transport (Hong Kong) Pty Limited	Hong Kong	Ordinary	100%	Security Services
Securicor International Valuables Transport (Australia) Pty Limited	Australia	Ordinary	100%	Security Services
Securicor (Americas) Limited	England & Wales	Ordinary	100%	Holding company
Verdi Ltd	Hong Kong	Ordinary	100%	Holding company
Securicor China Investments Ltd	Hong Kong	Ordinary	100%	Holding company
Securicor Macau (Holdings) Limited	Macau	Ordinary	51%	Holding company

The accounts present information about the company as an individual undertaking, and not about its group, as the company has taken advantage of the exemption conferred by section 228 of the Companies Act 1985 since it is a subsidiary undertaking of Securicor plc, a company registered in England and Wales, and is included in their company's consolidated accounts.

10 DEBTORS	2003 £'000	2002 £'000
Amounts owed by group undertakings	-	18,276
Other debtors	633	2,875
	<u>633</u>	<u>21,151</u>
Included in the above are amounts due after more than one year, as follows:		
Other debtors	611	661
	<u>611</u>	<u>661</u>

Securicor International Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2003

11	CREDITORS: Amounts falling due within one year	2003 £'000	2002 £'000
	Amounts owed to group undertakings	58	11
	Corporation tax	600	482
	Other creditors	144	-
		<u>802</u>	<u>493</u>
12	CREDITORS: Amounts falling due in more than one year	2003 £'000	2002 £'000
	Amounts owed to group undertakings	109,725	132,162
	The above amount is unsecured and interest free.		
13	SHARE CAPITAL	2003 £'000	2002 £'000
	Authorised: 15,500,000 ordinary shares of £1 each	15,500	15,500
	Allotted, issued and fully paid: 15,427,200 ordinary shares of £1 each	15,427	15,427
14	CAPITAL RESERVE	2003 £'000	2002 £'000
	1 October 2002 and 30 September 2003	11	11
15	PROFIT AND LOSS ACCOUNT	2003 £'000	2002 £'000
	1 October 2002	89	(4,427)
	Retained profit for the year	4,689	6,327
	Exchange movement	-	(1,811)
	30 September 2003	<u>4,778</u>	<u>89</u>
16	RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS	2003 £'000	2002 £'000
	Profit for the year	4,689	7,227
	Dividends	-	(900)
	Exchange movement	-	(1,811)
	Opening equity shareholders' funds	15,527	11,011
	Closing equity shareholders' funds	<u>20,216</u>	<u>15,527</u>

Securicor International Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2003

17 ULTIMATE PARENT COMPANY

The ultimate holding company of Securicor International Limited is Securicor plc, a company 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.

18 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 Securicor Plc.

19 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.

Securicor International Limited

DETAILED PROFIT AND LOSS ACCOUNT

for the year ended 30 September 2003

	2003 £'000	2002 £'000
OTHER OPERATING INCOME		
Royalty payments	255	263
Licence fee	37	-
	<u>292</u>	<u>263</u>
OTHER OPERATING COSTS		
Write-off of amount due from group undertaking	-	(112)
Sundry expenses	-	(28)
Exchange profit/(loss)	248	(18)
Impairment of fixed asset investments	-	(885)
	<u>248</u>	<u>(1,043)</u>
OPERATING PROFIT/(LOSS)	551	(780)
Dividends receivable:		
- from subsidiaries	7,302	8,093
	<u>7,853</u>	<u>7,313</u>
Non operating income/costs		
Interest receivable	-	1,218
Interest payable	-	(168)
Profit on sale of property	140	-
Loss on disposal of subsidiary undertaking	-	(779)
Write off of loan	(2,229)	-
	<u>5,764</u>	<u>7,584</u>
Profit/(loss) on ordinary activities before taxation		

This page does not form part of the statutory financial statements.