

# Securicor International Limited

## FINANCIAL STATEMENTS

for the year ended

31 December 2005



# Securicor International Limited

## DIRECTORS AND OFFICERS

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### DIRECTORS

NE Griffiths  
TL Dighton  
NP Buckles  
IE Cowden

### SECRETARY

SE Lyell

### REGISTERED OFFICE

The Manor  
Manor Royal  
Crawley  
West Sussex  
RH10 9UN

### AUDITORS

KPMG Audit Plc  
8 Salisbury Square  
London  
EC4Y 8BB

# Securicor International Limited

## DIRECTORS' REPORT

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

### 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 Group 4 Securicor plc group.

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

### DIVIDENDS

The directors do not recommend the payment of a dividend (2004: £Nil).

### DIRECTORS

The following directors have held office during the period:

NE Griffiths  
TL Dighton  
NP Buckles  
IE Cowden

### 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
NE Griffiths	-

Securicor plc was acquired by Group 4 Securicor plc on 19 July 2004.

# Securicor International 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



SE Lyell  
Secretary

21<sup>st</sup> September 2006

# Securicor International 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 International Limited

We have audited the financial statements of Securicor International 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 International Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2005

	<i>Notes</i>	Year ended 31 December 2005 £'000	15 months ended 31 December 2004 £'000
Operating income	1	330	271
Other operating costs net		30	2
OPERATING PROFIT		<u>360</u>	<u>273</u>
Impairment of investments	2	(559)	(40,838)
Net gain on disposal of group undertakings	2	-	61,545
Investment income	3	603	14,310
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST PAYABLE		<u>404</u>	<u>35,290</u>
Interest payable and similar charges	4	(3,159)	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	<u>(2,755)</u>	<u>35,290</u>
Taxation	7	840	773
RETAINED (LOSS)/PROFIT FOR THE PERIOD	14	<u>(1,915)</u>	<u>36,063</u>

The operating profit 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 International Limited

## BALANCE SHEET

31 December 2005

	Notes	31 December 2005 £'000	31 December 2004 £'000
<b>FIXED ASSETS</b>			
Investments	8	112,916	107,703
<b>CURRENT ASSETS</b>			
Debtors	9	1,390	1,771
Cash at bank and in hand		322	1
		1,712	1,772
<b>CREDITORS: Amounts falling due within one year</b>	10	(128)	(165)
<b>NET CURRENT ASSETS</b>		1,584	1,607
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		114,500	109,310
<b>CREDITORS: Amounts falling due after more than one year</b>	11	(60,136)	(53,031)
<b>NET ASSETS</b>		54,364	56,279
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	15,427	15,427
Capital reserve	13	11	11
Profit and loss account	14	38,926	40,841
<b>EQUITY SHAREHOLDERS' FUNDS</b>	15	54,364	56,279

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

NEGRIFINS Director





# Securicor International 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 International Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2005

		Year ended 31 December 2005 £'000	15 months ended 31 December 2004 £'000
1	OTHER INCOME		
	Royalty income	330	271
2	EXCEPTIONAL ITEMS		
	The exceptional items relate to an impairment provision of £558,832 on fixed asset investments ( 2004: impairment provision of £40,838,000 on fixed assets investments and a net gain on disposal of investments in group undertakings of £61,545,000).		
3	INVESTMENT INCOME	Year ended 31 December 2005 £'000	15 months ended 31 December 2004 £'000
	Income from fixed asset investments:		
	Subsidiaries	603	14,310
4	INTEREST PAYABLE AND SIMILAR CHARGES	Year ended 31 December 2005 £'000	15 months ended 31 December 2004 £'000
	Payable to group undertakings	3,159	-
5	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	Year ended 31 December 2005 £'000	15 months ended 31 December 2004 £'000
	(Loss)/Profit on ordinary activities before taxation is stated after charging:		
	Gain on foreign exchange	38	2
	Impairment of investment	559	40,838
	Gain on disposal of group undertaking	-	61,545
	The auditor's remuneration was borne by another group company.		
6	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

**Securicor International Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2005

6 EMPLOYEES (*continued*)

DIRECTORS' REMUNERATION

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

7 TAXATION

	Year ended 31 December 2005 £'000	15 months ended 31 December 2004 £'000
Current tax:		
UK corporation tax on profits of the period	840	81
Adjustments in respect of previous periods	-	(854)
Tax on profit on ordinary activities	<u>840</u>	<u>(773)</u>
Factors affecting tax charge for period:	Year ended 31 December 2005 £'000	15 months ended 31 December 2004 £'000
The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:		
(Loss)/Profit on ordinary activities before tax	<u>(2,755)</u>	<u>35,290</u>
(Loss)/Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 30% (2005: 30%)	(827)	10,587
Effects of:		
(Non-taxable income)/non-deductible expenditure	(13)	(6,214)
Underlying tax on overseas dividends	-	(4,292)
Adjustment in respect of previous periods	-	(854)
Tax assessed for period	<u>(840)</u>	<u>(773)</u>

# Securicor International Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2005

### 8 FIXED ASSET INVESTMENTS

	Subsidiary undertakings £'000
Cost:	
1 January 2005	150,228
Additions	5,772
31 December 2005	156,000
Provisions:	
1 January 2005	42,525
Provided in year	559
31 December 2005	43,084
Net book value:	
31 December 2005	112,916
30 December 2004	107,703

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
G4S Justice Services, Inc.	USA	Ordinary	100%	Security Services
Securicor International Valuables Transport Inc	USA	Ordinary	100%	Security Services
G4S Cash Services (Canada) Limited	Canada	Ordinary	100%	Security Services
Securicor (South Africa) (Pty) Limited	South Africa	Ordinary	80%	Security Services
Argenbright Security Inc.	USA	Ordinary	100%	Security Services
G4S Group Holding (Asia) Limited	British Virgin Islands	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
G4S Holdings (Hong Kong) Limited	Hong Kong	Ordinary	100%	Holding company
G4S Group Holding (China) Limited	Hong Kong	Ordinary	100%	Holding company
G4S (Macau) Limitada	Macau	Ordinary	51%	Holding company
Securicor Romania SRL	Romania	Ordinary	75%	Security Services
G4S International GmbH	Germany	Ordinary	100%	Security Services
G4S Security Services (Guam) Inc.	Guam	Ordinary	100%	Security Services
G4S Security Services (CNMI) Inc.	North Marianas Islands	Ordinary	100%	Security S ervices
Group 4 Securicor Coöperatie W.A.	Netherlands	Ordinary	99%	Holding entity
G4S Security Services (Barbados) Ltd	Barbados	Ordinary	50%	Security Services
Securicor Guyana Limited	Guyana	Ordinary	50%	Security Services
G4S Cash Services	Dom Republic	Ordinary	50%	Security Services

# Securicor International Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2005

	Securicor Segura S.A.	Costa Rica	Ordinary	50%	Security Services
	G4S Cote d'Ivoire SA	Ivory Coast	Ordinary	99.92%	Security Services
	Securicor Ghana Limited	Ghana	Ordinary	80%	Security Services
	Securicor (Jamaica) Limited	Jamaica	Ordinary	51%	Security Services
	Securicor Gray (Lesotho) (Pty) Ltd	Lesotho	Ordinary	99.90%	Security Services
	Securicor (Mocambique) Limitada	Mozambique	Ordinary	100%	Security Services
	Gray Security Services (SL) Limited	Sierra Leone	Ordinary	76%	Security Services
	G4S Holdings (Trinidad) Limited	Trinidad	Ordinary	51%	Security Services
	Securicor (Tanzania) Limited	Tanzania	Ordinary	100%	Security Services
	Securicor Gray Integrity Assessment (Pty) Ltd	South Africa	Ordinary	100%	Security Services
	Securicor Gray (DRC) sprl	DRC	Ordinary	60%	Security Services
	Securicor (Botswana) Limited	Botswana	Ordinary	84.12%	Security Services
	Total Security Limited	UK	Ordinary	100%	Security Services
	Securicor Gray Security Services (Angola) (Pty) Ltd	Angola	Ordinary	100%	Security Services
9	DEBTORS			31 December 2005 £'000	31 December 2004 £'000
	Amounts owed by group undertakings			359	1,771
	Other debtors			1,031	-
				<u>1,390</u>	<u>1,771</u>
10	CREDITORS: Amounts falling due within one year			31 December 2005 £'000	31 December 2004 £'000
	Corporation tax			-	37
	Other creditors			128	128
				<u>128</u>	<u>165</u>
11	CREDITORS: Amounts falling due in more than one year			31 December 2005 £'000	31 December 2004 £'000
	Amounts owed to group undertakings			60,136	53,031
12	SHARE CAPITAL			31 December 2005 £'000	31 December 2004 £'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			<u>15,427</u>	<u>15,427</u>

**Securicor International Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2005

13	CAPITAL RESERVE	31 December 2005 £'000	31 December 2004 £'000
	1 January 2005 and 31 December 2005	11	11
14	PROFIT AND LOSS ACCOUNT	31 December 2005 £'000	31 December 2004 £'000
	1 January 2005	40,841	4,778
	Retained (loss)/profit for the period	(1,915)	36,063
	31 December 2005	38,926	40,841
15	RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS	31 December 2005 £'000	31 December 2004 £'000
	(Loss)/Profit for the period	(1,915)	36,063
	Opening equity shareholders' funds	56,279	20,216
	Closing equity shareholders' funds	54,364	56,279
16	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.		
17	ULTIMATE PARENT COMPANY		
	The ultimate holding company of Securicor International 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.		
18	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.		