

MAYNE NICKLESS (UK) LIMITED

Report and Financial Statements

5th July 1993 to 3rd July 1994

Registered Number 732993



MAYNE NICKLESS (UK) LIMITED
DIRECTORS REPORT ON THE FINANCIAL STATEMENTS
FOR THE PERIOD 5TH JULY 1993 TO 3RD JULY 1994

1. The Directors present herewith their report and the audited financial statements for the period 5th July 1993 to 3rd July 1994.

2. **PRINCIPAL ACTIVITIES**

Mayne Nickless (UK) Limited is engaged in:-

- a) The provision of security services including cash carrying and wage packeting.
- b) The installation, monitoring and maintenance of alarm systems.
- c) The collection and delivery of parcels and packages on an overnight basis and international courier services.

3. **BUSINESS REVIEW AND FUTURE DEVELOPMENTS**

The company has continued to develop its businesses during the period including the acquisition of Cash In Transit Limited from Group 4 Limited and the disposal of the Security Express Guards Division in a related transaction.

4. **DIVIDENDS AND RESULTS**

The Directors do not recommend the payment of a dividend (1993: £nil). The distributable profits will be carried to reserves. The results for the period are shown on page 5.

5. **FIXED ASSETS**

The movements in fixed assets for the period are set out in notes 9, 10, and 11.

6. **DIRECTORS**

The Directors who have held office since 5th July 1993 are set out below:

J C Williams (Chairman) (Australia) (resigned 7 January 1994)
 B F Barham (non-executive)
 R W Hunter (non-executive)
 P J Gray (resigned 30 June 1994)
 P L Kearns
 A T Clifton (Australia) (resigned 22 August 1994)
 R W Broadbent (Australia) (resigned 17 January 1994)
 G A Turner (Australia) (resigned 30 June 1994)
 K E Carr (appointed 2 December 1993)
 J R Cole (Chairman) (appointed 1 July 1994)

Directors' and Officers' liability insurance cover is maintained by the ultimate parent undertaking.

7. **DIRECTORS' INTERESTS**

According to the register required to be kept under Section 325 of the Companies Act 1985, none of the Directors at 3rd July 1994 held any interest in the shares of group companies at any time during the financial period ended 3rd July 1994. As permitted by statutory instrument, the register does not include shareholdings of Directors in any body corporate incorporated outside Great Britain.

MAYNE NICKLESS (S) LIMITED
DIRECTORS REPORT ON THE FINANCIAL STATEMENTS
FOR THE PERIOD 5TH JULY 1993 TO 3RD JULY 1994

8. EMPLOYEES

The company gives due consideration to applications for employment by disabled persons and encourages the career development of such persons as it is able to employ. In the event of employees becoming disabled whilst in the service of the company, every effort is made to continue their employment by transfer to alternative duties, if required, and by the provision of such re-training as is appropriate.

It is company policy to endeavour to maintain close links with the whole of the work force. The company communicates with its employees in a number of ways including notice boards, newsletters and other channels.

9. DONATIONS

Charitable donations made during the period amounted to £16,634 (1993: £16,165).

10. AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the re-appointment of KPMG Peat Marwick as auditors of the company at a fee to be agreed by the Directors will be put to the members at the Annual General Meeting.

BY ORDER OF THE BOARD



R Dawson
Secretary

29 September 1994

MAYNE NICKLESS (UK) LIMITED**FINANCIAL STATEMENTS FOR THE PERIOD 5th JULY 1993 to 3rd JULY 1994****STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

Report of the auditors, KPMG, Peat Marwick to the members of Mayne Nickless (UK) Limited

We have audited the financial statements on pages 5 to 20.

Respective responsibilities of directors and auditors

As described on page 3 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 of 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 3rd July 1994 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick

Chartered Accountants
Registered Auditors

1 Puddle Dock
Blackfriars
London EC4V 3PD

29 September 1994

MAYNE NICKLESS (UK) LIMITED
FINANCIAL STATEMENTS FOR THE PERIOD 5th JULY 1993 to 3rd JULY 1994
PROFIT AND LOSS ACCOUNT

	<u>Notes</u>	<u>1994</u> £000	<u>1993</u> £000
TURNOVER	1(e),2		
Continuing operations		146,190	128,046
Acquisitions		6,873	-
		<u>153,063</u>	<u>128,046</u>
Discontinued operations		3,196	25,145
		<u>156,259</u>	<u>153,191</u>
OPERATING PROFIT			
Continuing operations	3	8,456	9,401
Acquisitions	3	(717)	-
		<u>7,739</u>	<u>9,401</u>
Discontinued operations		(1,316)	594
		<u>6,423</u>	<u>9,995</u>
LOSS ON DISPOSAL OF FIXED ASSETS			
Continuing operations		(6)	(133)
Discontinued operations		(3)	-
		<u></u>	<u></u>
PROFIT BEFORE INTEREST		6,414	9,862
INTEREST RECEIVABLE AND SIMILAR INCOME	6	105	104
INTEREST PAYABLE AND SIMILAR CHARGES	7	(3,609)	(5,981)
INCOME FROM FIXED ASSET INVESTMENT		1,533	1,711
		<u>4,443</u>	<u>5,696</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			
TAX ON PROFIT ON ORDINARY ACTIVITIES	8	(1,472)	(1,658)
PROFIT FOR THE FINANCIAL PERIOD		<u>2,971</u>	<u>4,038</u>
STATEMENT OF RETAINED PROFITS			
Retained reserves at 5th July 1993		9,981	5,943
Profit for the year		2,971	4,038
		<u>12,952</u>	<u>9,981</u>
Retained reserves at 3rd July 1994			

There are no recognised gains and losses other than those included in the profit for the financial period.

The notes on pages 8 to 20 form part of these accounts

MAYNE NICKLESS (UK) LIMITED

FINANCIAL STATEMENTS FOR THE PERIOD 5th JULY 1993 to 3rd JULY 1994

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	<u>1994</u>	<u>1993</u>
	<u>£'000</u>	<u>as restated</u>
		<u>£'000</u>
Reported profit on ordinary activities before taxation	4,443	5,696
Difference between a historical cost depreciation charge and the actual depreciation charge of the period calculated on the revalued amount	(2)	(3)
Historical cost profit on ordinary activities before taxation	<u>4,441</u>	<u>5,693</u>
Historical cost profit for the year retained after taxation, minority interests, extraordinary items	<u>2,969</u>	<u>4,035</u>

The notes on pages 8 to 20 form part of these financial statements.

MAYNE NICKLESS (UK) LIMITED
FINANCIAL STATEMENTS FOR THE PERIOD 5th JULY 1993 to 3rd JULY 1994
NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

A summary of the more important accounting policies is set out below:-

(a) Accounting Convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain properties and in accordance with applicable accounting standards which were in operation during the period.

(b) Depreciation

Depreciation is calculated to write-off the cost of fixed assets on a straight-line basis over the expected useful lives of the assets concerned. Depreciation is charged from the month of acquisition and the principal annual rates used for this purpose are:

	%
Freehold buildings	2 - 3.33
Leasehold properties with greater than 50 years unexpired	2 - 3.33
Leasehold properties with less than 50 years unexpired	over the life of the lease
Plant and equipment	10
Fixtures and fittings	10
Motor vehicles	16.6 - 25
Computer hardware	20 - 33

Improvements to leasehold properties are amortised over the period of the lease.

(c) Pensions

Eligible employees may join the Mayne Nickless (UK) Limited Pension Scheme. This is a defined benefit scheme which is funded by contributions from the employers and the employees. The scheme's assets are held in separate funds administered by Schroder Investment Management Limited and by Barclays de Zoete Wedd Investment Management Limited and consist mainly of investments in listed companies. There is also a small number of employees in subsidiary undertakings who remain with their existing defined cost pension schemes.

Employers' contributions are paid on the basis of advice from independent professionally qualified actuaries who carry out a valuation of the scheme every three years. The employers' contributions are charged to the profit and loss account on the basis of a substantially level percentage of the current and expected future pension payroll. The charge to the financial statements arising from this treatment for the period was £1,415,000 (1993: £255,000).

The last actuarial valuation, as at 6 April 1993, disclosed that the market value of the scheme's assets was £26,918,000, and the actuarial value thereof represented a surplus over past service liabilities of 14%. This valuation was performed using the "projected unit method". The main actuarial assumption was that the long term investment yield will exceed the rate of increase in earnings by 2.0%. The surplus has arisen due to the strong past service funding position.

MAYNE NICKLESS (UK) LIMITED
FINANCIAL STATEMENTS FOR THE PERIOD 5th JULY 1993 to 3rd JULY 1994
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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I. ACCOUNTING POLICIES (continued)

(d) Taxation

The charge for taxation is based on the result for the period as adjusted for disallowable items and for timing differences. The tax effect of timing differences which are likely to result in an actual tax liability in the foreseeable future is treated as a deferred tax liability. Provision is made by reference to the rates of corporation tax which are anticipated to prevail in the periods in which the timing differences are expected to reverse after deducting the benefit of any accumulated tax losses.

(e) Turnover

Turnover represents the invoiced value of services rendered, excluding value added tax.

(f) Repairs and Renewals

Repairs and renewals are charged to the profit and loss account as incurred.

(g) Finance Leases

Assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the leases. The excess of the lease payments over the recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation.

(h) Operating Leases

Expenditure on operating leases is charged to the profit and loss account as incurred.

(i) Foreign Currencies

Monetary assets and liabilities expressed in foreign currencies are translated to sterling at the rates of exchange ruling at the end of the financial period, differences on exchange being included in operating results. The financial statements of foreign undertakings are translated into sterling at the closing rates of exchange and the difference arising from the translation of the opening net investment in undertakings at the closing rate is taken direct to reserves.

(j) Fixed Assets Investments

Shares in group companies are stated at cost less amounts written off where there has been a permanent diminution in value.

(k) Goodwill

Items of purchased goodwill represent the difference between the cost of investments in certain businesses and subsidiaries and the fair value of the net assets acquired. The valuation of goodwill has been reviewed by Directors to confirm that the current valuation is appropriate and there has been no permanent diminution in value. Goodwill is amortised against operating income over a period of time not exceeding twenty years in accordance with SSAP 22. Where appropriate, adjustments have been made to adjust the value of net assets acquired to fair values, including provisions for reorganisation and rationalisation costs.

(l) Deferred Income

Income received in respect of extended period contracts is apportioned pro-rata over the period of the contract. Furthermore, apportionments of income are carried forward until such time as they have been earned by the company. Costs in respect of such contracts are charged as incurred.

1. ACCOUNTING POLICIES (continued)

(m) Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost represents actual invoice price and work in progress includes labour costs incurred to date together with appropriate overheads. Net realisable value is the price at which stocks can be realised in the normal course of business after allowing for the costs of realisation and, where appropriate, the cost of conversion from its existing state to a finished condition. Provision is made for obsolete, slow moving and defective stocks.

(n) Group Accounts

The company is exempt from the requirement to prepare group accounts under Section 228 of the Companies Act 1985 due to its results being included in a larger EEC group. For the period ended 4th July 1993 group accounts were prepared and therefore the comparative figures presented here have been restated.

(o) Cash Flow Statement

Under FRS1 the company is exempt from the requirement to prepare a cash flow statement as it is a wholly owned subsidiary undertaking.

(p) Alarm Installations

The full cost of alarm installations, including assets to which title is retained by the company, is charged as a cost of sale in the period during which the installation is completed and thus is not recognised as an asset in the books of the company.

(q) Trade Names

Where appropriate trade names are valued and an amount, based on a professional valuation, is transferred from goodwill. The amortisation policy is identical to that for goodwill (see note 1(k)).

(r) Discontinued operations

On the 23rd August 1993 the company sold the Security Express Guards division. The results of this division have been shown as discontinued operations.

(s) Acquisitions

On the 23rd August 1993, the company purchased Cash in Transit Limited from Group 4 Limited in a related transaction to the sale of the Security Express Guards division. On 1 January 1994 Cash In Transit Limited was divisionalised to form part of the company's activities from this date.

2. TURNOVER

The contributions of the various activities of the company to turnover and operating profit are set out below:-

	1994		1993	
	Turnover	Operating Profit/(Loss)	Turnover	Operating Profit/(Loss)
	£000	£000	£000	£000
Principal activities:				
Security services	71,609	1,264	78,065	5,898
Transport services	85,392	4,878	75,601	3,924
Head Office	-	281	-	173
	<u>157,001</u>	<u>6,423</u>	<u>153,666</u>	<u>9,995</u>
Less: Intra-group transactions	(742)	-	(475)	-
	<u>156,259</u>	<u>6,423</u>	<u>153,191</u>	<u>9,995</u>

All turnover and profits before taxation are derived from activities in the United Kingdom. The Directors are of the opinion that any segmental disclosures in addition to the above would be prejudicial to the company and therefore no such additional analysis is presented.

3. OPERATING PROFIT

The operating profit is made up as follows, (a) representing continuing operations, (b) representing discontinued operations, (c) representing acquisitions, and (d) being total operations:

	1994				1993		
	(a)	(b)	(c)	(d)	(a)	(b)	(d)
	£000	£000	£000	£000	£000	£000	£000
Turnover	146,190	3,196	6,873	156,259	128,046	25,145	153,191
Raw materials & consumables	1,062	-	-	1,062	966	-	966
Increase in stocks	-	-	-	-	(181)	-	(181)
Other external charges	10,141	-	-	10,141	8,158	-	8,158
Operating asset costs	21,934	82	1,565	23,581	18,237	548	18,785
Employment costs	75,649	2,833	3,891	82,373	66,012	21,213	87,225
Depreciation and other amounts written off tangible fixed assets	6,720	50	385	7,155	5,402	512	5,914
Amortisation of intangible fixed assets	78	41	162	281	224	178	402
Other operating charges	22,238	1,506	1,587	25,331	18,950	2,100	21,050
Deficit on revaluation of fixed assets	-	-	-	-	(11)	-	(11)
Non operating income expense	(88)	-	-	(88)	888	-	888
Operating Profit/(Loss)	<u>8,456</u>	<u>(1,316)</u>	<u>(717)</u>	<u>6,423</u>	<u>9,401</u>	<u>594</u>	<u>9,995</u>

MAYNE NICKLESS (UK) LIMITED**FINANCIAL STATEMENTS FOR THE PERIOD 5th JULY 1993 to 3rd JULY 1994****NOTES TO THE FINANCIAL STATEMENTS (Continued)**

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3. OPERATING PROFIT (continued)

The operating profit is stated after charging:-

	<u>1994</u> £000	<u>1993</u> £000
Auditors' remuneration		
For audit	82	71
For services other than audit	21	46
Operating leases:		
Hire of plant and machinery	5,512	3,894
Land and buildings	5,248	4,555
Operating and finance lease of plant and machinery, including depreciation and finance charges	5,773	4,555
Exchange gains/(losses)		
Emoluments of directors of the company including pension contributions		
For management	276	99
As directors	-	-
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4. DIRECTORS' REMUNERATION

Directors' emoluments disclosed in accordance with Schedule 6 of the Companies Act 1985 are as follows:-

	<u>1994</u>	<u>1993</u>
Emoluments of Chairman	-	-
Emoluments of highest paid director	131,159	179,410
	<hr/>	<hr/>
	<u>No.</u>	<u>No.</u>

Number of Directors whose emoluments
were within the range:

£0 to £5,000	8	6
£60,001 - £65,000	-	1
£110,001 - £115,000	1	-
£130,001 - £135,000	1	-
£175,001 - £180,000	-	1
	<hr/>	<hr/>

5. EMPLOYEE INFORMATION

(a) The average number of persons including Executive Directors employed by the company during the period is analysed below:-

	<u>1994</u>	<u>1993</u>
Administration and supervision	1,043	1,197
Operational	3,828	5,240
	<hr/>	<hr/>
	4,871	6,437
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FINANCIAL STATEMENTS FOR THE PERIOD 5th JULY 1993 to 3rd JULY 1994
NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. EMPLOYEE INFORMATION (continued)

- (b) Employment costs including payments to Executive Directors employed during the period are analysed as follows:

	<u>1994</u> £000	<u>1993</u> £000
Aggregate gross wages and salaries paid to employees	74,859	80,288
Employer's national insurance contributions	6,099	6,682
Employer's pension contributions under group schemes	1,415	255
	<u>82,373</u>	<u>87,225</u>

The surplus in the pension scheme (see note 1(c)) is being amortised over the average remaining service lives of the employees. As a result of this, and in conjunction with the accounting policy described in note 1(c), the company has made a total profit and loss account charge in respect of pension contributions to the Mayne Nickless (UK) Limited Pension Scheme for the current year of £1,415,000 (1993: £255,000).

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>1994</u> £000	<u>1993</u> £000
Bank Interest	105	104
	<u>105</u>	<u>104</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1994</u> £000	<u>1993</u> £000
Parent undertaking loans	3,326	4,890
Interest payable to subsidiaries	-	847
Bank loans and overdrafts	22	194
Finance leases	261	50
	<u>3,609</u>	<u>5,981</u>

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1994</u> £000	<u>1993</u> £000
Taxation comprises		
UK corporation tax at 33% - current	1,635	672
Deferred tax - current	(163)	986
	<u>1,472</u>	<u>1,658</u>

9. INTANGIBLE FIXED ASSETS - PURCHASED GOODWILL £000

COST

At 5th July 1993	20,446
Additions	2,351
Disposals - external	(7,091)

At 3rd July 1994	15,706
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ACCUMULATED AMORTISATION

At 5th July 1993	1,753
Charge for the period	281
Disposals external	(249)

At 3rd July 1994	1,785
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NET BOOK VALUE

At 3rd July 1994	13,921
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NET BOOK VALUE

At 4th July 1993	18,693
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10. TANGIBLE FIXED ASSETS

	Freehold land and buildings £000	Leasehold land and buildings Long lease £000	Short Lease £000	Software plant and equipment £000	Assets in course of construction £000	Totals £000
COST OR VALUATION						
At 5th July 1993	6,244	1,469	8,040	36,248	157	52,158
Acquisition	1,430	1,603	656	2,117	-	5,806
Additions - external	8	-	896	5,880	1,691	8,475
Disposals - external	(62)	(360)	(154)	(4,721)	-	(5,297)
Reclassification	454	-	(13)	760	(1,201)	-
At 3rd July 1994	8,074	2,712	9,425	40,284	647	61,142
DEPRECIATION						
At 5th July 1993	43	19	2,135	17,698	-	19,895
Charge for the period	130	65	441	6,519	-	7,155
Acquisition	225	430	159	1,269	-	2,083
Disposals - external	(4)	(17)	(91)	(3,364)	-	(3,476)
Reclassification	-	-	(7)	7	-	-
At 3rd July 1994	394	497	2,637	22,129	-	25,657
NET BOOK VALUE						
At 3rd July 1994	7,680	2,215	6,788	18,155	647	35,485
NET BOOK VALUE						
at 4th July 1993	6,201	1,450	5,905	18,550	157	32,263

Freehold land and buildings includes land not depreciated of £2,964,500 (1993: £2,964,500).

10. TANGIBLE FIXED ASSETS (continued)

The net book value of the company's fixed assets includes £1,729,000 in respect of assets held under finance leases. The depreciation charge for the period includes £1,194,000 in respect of assets held under finance leases.

Land and buildings were revalued by an independent Chartered Surveyor on 28th February 1993 on an existing use basis.

To maintain consistency with the valuation of the Australian properties in the Australian Group's consolidated accounts, purpose built security depots have been revalued on a depreciated replacement cost basis. These properties have also been capable of valuation on an open market basis but the Directors do not consider that basis of valuation to be appropriate.

Comparable amounts determined according to the historical cost convention:

	Freehold land and buildings	Leasehold land and buildings		Software plant and equipment	Assets in course of construction	Totals
	£000	Long Lease	Short Lease	£000	£000	£000
Cost	8,709	3,172	9,425	40,284	647	62,237
Accumulated depreciation	1,131	774	2,637	22,129	-	26,671
NET BOOK VALUE						
At 3rd July 1994	7,578	2,398	6,788	18,155	647	35,566
NET BOOK VALUE						
At 4th July 1993	6,109	1,437	5,905	18,550	157	32,158

11. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	£'000
At 5th July 1993	101,432
Additions	7,084
Disposal	(1,389)
At 3rd July 1994	107,127

12. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

- Investments comprise shares in subsidiary undertakings at cost less amounts written off.
- Particulars of subsidiary undertakings are as follows:-

12. INVESTMENT IN SUBSIDIARY UNDERTAKINGS AND OTHER INVESTMENTS (continued)

<u>Name of Undertaking</u>	<u>Description of Shares</u>	<u>Proportion of nominal value of shares held</u>
Subsidiary undertakings of Mayne Nickless (UK) Limited:		
Armaguard Limited	Preference	100 %
	Ordinary	100 %
Security Express Alarms Ltd	Ordinary	100 %
	Deferred	100 %
Security Express Limited	Ordinary	100 %
Parceline Limited	Ordinary	100 %
DPE International Limited	Ordinary	100 %
Security Express Guards Limited	Ordinary	100 %
Cash-in-Transit Limited	Ordinary	100 %
Conveyerquick Limited	Ordinary	100 %
Reds Transport Limited	Ordinary	100 %
Interlink Express plc	Ordinary	100 %
Subsidiary undertaking of Conveyerquick Limited:		
Abba Distribution Limited	Ordinary	100 %
Subsidiary undertakings of Interlink Express plc:		
Interlink Express Parcels Limited	Ordinary	100 %
Alternative Solutions Limited	Ordinary	100 %
Subsidiary undertaking of Interlink Express Parcels Limited:		
Interlink Ireland Limited	Ordinary	100 %
	Redeemable Preference	100 %

All the above undertakings are incorporated in and operate in the United Kingdom and are registered in England and Wales with the exception of Interlink Ireland Limited which is incorporated and registered in the Republic of Ireland.

(c) During the year Alternative Solutions Limited went into members voluntary liquidation.

(d) The principal business activities of these subsidiary undertakings are:-

- i) Interlink Express Parcels Limited and Interlink Ireland Limited - the collection and delivery of parcels and packages on an overnight basis.
- ii) Armaguard Limited, Security Express Limited, Security Express Alarms Limited, Security Express Guards Limited, Parceline Limited, DPE International Limited, Conveyerquick Limited, Reds Transport Limited, Abba Distribution Limited, Interlink Express plc and Alternative Solutions Limited have not traded during the period.

13. OTHER INVESTMENTS

	£'000
At 5th July 1994	2
Disposal	(2)
	—
At 3rd July 1994	—

MAYNE NICKLESS (UK) LIMITED

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FINANCIAL STATEMENTS FOR THE PERIOD 5th JULY 1993 to 3rd JULY 1994**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

14. STOCKS	<u>1994</u> £000	<u>1993</u> £000
Computer and alarms equipment		121
Spares and consumable items		531
Work in progress	153	68
	<u>723</u>	<u>720</u>

15. DEBTORS: Amounts falling due within one year

	<u>1994</u> £000	<u>1993</u> £000
Trade debtors	20,321	17,948
Amounts due from group undertakings:		
Ultimate holding undertaking	27	6
Related undertakings	252	81
Other debtors	1,158	311
Prepayments and accrued income	4,694	4,863
	<u>26,452</u>	<u>23,209</u>
Amounts falling due after more than one year:		
Other debtors	2,954	793
	<u>29,406</u>	<u>24,002</u>

16. CREDITORS: Amounts falling due within one year

	<u>1994</u> £000	<u>1993</u> £000
Bank loans and overdrafts (unsecured)	204	624
Trade creditors	9,723	8,269
Amounts due to group undertakings:		
Ultimate holding undertaking	4	-
Immediate holding undertaking	47,263	51,836
Related undertakings	126	-
Subsidiary undertakings	54,999	53,092
Other creditors including		
Taxation and social security (see below)	16,552	9,845
Accruals and deferred income	7,581	7,379
	<u>136,452</u>	<u>131,045</u>

16. CREDITORS: (continued)

Other creditors including taxation and social security comprises:-

	<u>1994</u> £000	<u>1993</u> £000
Corporation tax	3,378	476
Other taxes and social security	4,539	5,802
Obligations under finance leases	1,108	108
Other	7,527	3,459
	<u>16,552</u>	<u>9,845</u>

17. CREDITORS: Amounts falling due after more than one year

	<u>1994</u> £000	<u>1993</u> £000
Obligations under finance leases	937	288

18. DEFERRED TAXATION

The movement in deferred taxation is as follows:

	<u>1994</u> £000	<u>1993</u> £000
At 5th July 1993	2,544	1,558
(Credit)/charge for the period in the profit and loss account	(163)	986
At 3rd July 1994	<u>2,381</u>	<u>2,544</u>

The potential liabilities for deferred taxation of the group and the provisions made at 33% are set out below:

	<u>1994</u> £000	<u>1993</u> £000
Fixed asset timing differences	2,381	2,544

No provision for deferred tax has been made on revaluations of fixed assets as it is not the intention of the group to dispose of any such assets in the foreseeable future.

19. SHARE CAPITAL

	<u>1994</u> £000	<u>1993</u> £000
Ordinary shares of £1 each		
Authorised	100,000	100,000
Allotted and fully paid	<u>35,700</u>	<u>35,700</u>

MAYNE NICKLESS (UK) LIMITED

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FINANCIAL STATEMENTS FOR THE PERIOD 5th JULY 1993 to 3rd JULY 1994**NOTES TO THE FINANCIAL STATEMENTS (Continued)****20. RESERVES**

	<u>Profit & loss</u> <u>Account</u> £000	<u>Share</u> <u>Premium</u> £000	<u>Revaluation</u> <u>Reserve</u> £000
Balance at 5th July 1993	9,981	119	709
Profit for the year	2,971	-	-
Balance at 3rd July 1994	<u>12,952</u>	<u>119</u>	<u>709</u>

21. CAPITAL COMMITMENTS

	<u>1994</u> £000	<u>1993</u> £000
Amounts contracted for but not provided in the accounts	-	631
Amounts approved by the Directors but not contracted for	-	-

22. PENSION SCHEME

The group scheme is contributory and provides members with a defined benefit pension on retirement. The last actuarial valuation of the scheme showed that it was adequately funded. Further details are given in note 1(c) on page 8.

23. CONTINGENT LIABILITIES

The company is contingently liable in respect of guarantees given under property leases for subsidiary undertakings.

24. FINANCE LEASE COMMITMENTS

At 3rd July 1994 the company was committed to making the following finance lease payments:

	<u>1994</u> £000	<u>1993</u> £000
Within one year	1,132	144
Within two to five years	1,198	323
After five years	-	-
	<u>2,330</u>	<u>467</u>
Finance charges allocated to future periods	(285)	(70)
	<u>2,045</u>	<u>397</u>

25. OPERATING LEASE COMMITMENTS

At 3rd July 1994 the company was committed to making the following annual operating lease payments:

	<u>1994</u>			<u>1993</u>		
	<u>Land and Buildings</u>	<u>Other</u>	<u>Total</u>	<u>Land and Buildings</u>	<u>Other</u>	<u>Total</u>
Leases which expire:	£000	£000	£000	£000	£000	£000
Within one year	11	657	668	140	378	518
Within two to five years	105	2,860	2,965	225	2,094	2,319
After five years	4,010	56	4,066	3,756	188	3,944
	<u>4,126</u>	<u>3,573</u>	<u>7,699</u>	<u>4,121</u>	<u>2,660</u>	<u>6,781</u>

26. RECONCILIATION OF SHAREHOLDERS FUNDS

	<u>1994</u> £000	<u>1993</u> £000
Profit for the financial year	2,971	4,038
Surplus on property revaluation	,	(1,034)
Net addition to shareholders funds	<u>2,971</u>	<u>3,004</u>
Opening shareholders funds	46,509	43,505
Closing shareholders funds	<u>49,480</u>	<u>46,509</u>

27. HOLDING UNDERTAKING

Mayne Nickless (UK) Limited is wholly owned by Mayne Nickless Europe plc, a company incorporated in Great Britain and registered in England and Wales.

The ultimate holding undertaking is Mayne Nickless Limited, a company incorporated in Australia.

Copies of the financial statements of Mayne Nickless Limited and of Mayne Nickless Europe plc can be obtained from the offices of Mayne Nickless Europe plc at 1-2 Brook Business Centre, Cowley Mill Road, Uxbridge, UB8 2FX.