

MAYNE NICKLESS (UK) LIMITED

Report and Accounts

29th JUNE 1992 to 4th JULY 1993

Registered Number 732993

COMM

23 JUN 1993

RECEPTION

MAYNE NICKLESS (UK) LIMITEDDIRECTORS' REPORT ON THE ACCOUNTS FOR THE FINANCIAL PERIOD29th JUNE 1992 to 4th JULY 1993

Directors:

J C Williams (Chairman) (Australia)
E F Barham (non-executive)
R W Hunter (non-executive)
P J Gray
P L Kearns
A T Clifton (Australia)
R W Broadbent (Australia)
G A Turner (Australia)

1. The Directors present herewith their report and the audited accounts for the financial period 29th June 1992 to 4th July 1993.

2. PRINCIPAL ACTIVITIES

The Mayne Nickless (UK) Limited Group, which comprises Mayne Nickless (UK) Limited and its subsidiary undertakings, is engaged in:-

- a) The provision of security services including cash carrying, wage packeting, mobile patrols and static guards.
- 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

With effect from 29th June 1992, as part of a group reorganisation, the businesses of Armguard Limited, Security Express Alarms Limited, Security Express Limited, Parceline Limited, Security Express Guards Limited and DPE International Limited, all subsidiary undertakings of this company, were transferred to this company. Given the difficult period of trading over the past year, the result for the year is satisfactory. It is anticipated that the group will continue to expand by both internal growth and acquisition.

On 3rd August 1993 the company announced the sale of the business and assets of the Security Express Guards division and the acquisition of Group 4 Cash-in-Transit Limited, the principal activity of which is the provision of security services including cash carrying. The results of the Security Express Guards division have been disclosed as discontinued operations.

4. DIVIDENDS

The Directors do not recommend the payment of a dividend (1992: £nil).

...../continued

MAYNE NICKLESS (UK) LIMITEDDIRECTORS' REPORT ON THE ACCOUNTS FOR THE FINANCIAL PERIOD29th JUNE 1992 to 4th JULY 1993 - continued

5. FIXED ASSETS

The movements in fixed assets for the period are set out in notes 9, 10, and 11 on pages 15, 16, 17 and 18.

6. PROPOSED TRANSFER TO RESERVES

The proposed transfer to reserves is shown on page 5.

7. DIRECTORS

The Directors of the company at 4th July 1993 are set out above. All have served throughout the period.

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

8. DIRECTORS' INTERESTS

According to the register required to be kept under Section 325 of the Companies Act 1985, none of the Directors at 4th July 1993 held any interest in the shares of group companies at any time during the financial period ended 4th July 1993. As permitted by statutory instrument, the register does not include shareholdings of Directors in any body corporate incorporated outside Great Britain.

9. 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.

10. DONATIONS

Charitable donations made during the year amounted to £13,919 (1992: £50).

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MAYNE NICKLESS (UK) LIMITEDDIRECTORS' REPORT ON THE ACCOUNTS FOR THE FINANCIAL PERIOD29th JUNE 1992 to 4th JULY 1993 - continued

11. DIRECTORS' RESPONSIBILITIES

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:

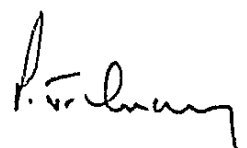
- * Select suitable accounting policies and then apply them consistently.
- * Make judgements and estimates that are reasonable and prudent.
- * State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
-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

12. 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



P J Gray
Secretary

26th August 1993

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4.

Auditors' report to the members of Mayne Nickless (UK) Limited

We have audited the financial statements on pages 5 to 24.

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 affairs of the company and the group as at 4th July 1993 and of the profit of the group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick

KPMG Peat Marwick
Chartered Accountants
Registered Auditors

St Nicholas House
31 Park Row
Nottingham
NG1 6FQ

26th August 1993

MAYNE NICKLESS (UK) LIMITEDAND ITS SUBSIDIARY COMPANIESCONSOLIDATED PROFIT AND LOSS ACCOUNTFOR THE PERIOD 29th JUNE 1992 to 4th JULY 1993

	<u>Notes</u>	<u>1993</u>	<u>1992</u>
		<u>£</u>	<u>£</u>
TURNOVER	1(e),2		
Continuing operations		180,732,316	156,075,226
Discontinued operations		25,145,368	27,119,899
		-----	-----
		205,877,684	183,195,125
		=====	=====
OPERATING PROFIT			
Continuing operations	3	15,737,191	13,245,629
Discontinued operations	3	560,850	675,046
PROFIT/(LOSS) ON DISPOSAL OF FIXED ASSETS			
Continuing operations		36,597	(119,521)
Discontinued operations		(470)	(17,454)
		-----	-----
PROFIT BEFORE INTEREST		16,334,168	13,783,700
INTEREST RECEIVABLE AND SIMILAR INCOME	6	222,003	289,533
INTEREST PAYABLE AND SIMILAR CHARGES	7	(5,133,066)	(6,016,598)
		-----	-----
PROFIT BEFORE TAXATION		11,423,105	8,056,635
TAX CHARGE	8	4,438,000	3,014,066
		-----	-----
PROFIT FOR THE PERIOD		6,985,105	5,042,569
		=====	=====
STATEMENT OF RETAINED PROFITS			
Retained reserves at 29th June 1992		12,991,734	7,900,878
Transfer from reserves		-	48,287
Profit for the period		6,985,105	5,042,569
		-----	-----
Retained reserves at 4th July 1993		19,976,839	12,991,734
		=====	=====
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES			
Profit for the year		6,985,105	5,042,569
Unrealised deficit on revaluation of properties		(643,636)	-
Currency translation differences		19,504	-
		-----	-----
Total gains and losses since last annual report		6,360,973	5,042,569
		=====	=====

The notes on pages 8 to 24 form part of these accounts

MAYNE NICKLESS (UK) LIMITEDAND ITS SUBSIDIARY COMPANIESCONSOLIDATED BALANCE SHEET AS AT 4th JULY 1993

	<u>Notes</u>	<u>1993</u>		<u>1992</u>	
		£	£	£	£
FIXED ASSETS					
Intangible assets	9		70,114,648		71,205,872
Tangible assets	10		36,951,110		37,525,483
Other investments	13		1,775		-
CURRENT ASSETS					
Stocks	14	943,269		660,814	
Debtors	15	34,138,478		32,784,893	
Cash at bank and in hand		4,469,953		4,861,994	
		39,551,700		38,307,701	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	16	(86,808,736)		(94,527,612)	
NET CURRENT LIABILITIES			(47,257,036)		(56,219,911)
TOTAL ASSETS LESS CURRENT LIABILITIES			59,810,497		52,511,444
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	17		(288,797)		(390,717)
PROVISIONS FOR LIABILITIES AND CHARGES	18		(2,598,000)		(1,558,000)
			56,923,700		50,562,727
CAPITAL AND RESERVES					
Called up share capital	19		35,700,000		35,700,000
Share premium account	20		118,806		118,806
Revaluation reserve	20		1,108,551		1,752,187
Exchange fluctuation reserve			19,504		-
Profit and loss account			19,976,839		12,991,734
			56,923,700		50,562,727

These accounts were approved by the Board of directors
on 26th August 1993 and were signed on its behalf by:

.....
J C Williams

.....
R W Hunter

}
DIRECTORS

The notes on pages 8 to 24 form part of these accounts

MAYNE NICKLESS (UK) LIMITEDAND ITS SUBSIDIARY COMPANIESNOTES TO THE ACCOUNTS4th JULY 1993

1. NOTES ON THE ACCOUNTS AND ACCOUNTING POLICIES

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

(a) Accounting Convention

The accounts 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	$\frac{1}{2}\%$ 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 amortized over the period of the lease.

No further depreciation is provided in respect of assets which are fully written off but still in use.

(c) Pensions

Eligible employees of the group 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 a separate fund administered by Schroder 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.

Contributions are paid on the basis of advice from independent professionally qualified actuaries who carry out a valuation of the scheme every three years. 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 accounts arising from this treatment for the period was £233,000 (1992: £393,078 credit).

MAYNE NICKLESS (UK) LIMITEDAND ITS SUBSIDIARY COMPANIESNOTES TO THE ACCOUNTS4th JULY 1993 - (continued)

1. NOTES ON THE ACCOUNTS AND ACCOUNTING POLICIES - (continued)

(c) Pensions - continued

The last actuarial valuation, as at 6th April 1990, disclosed that the market value of the scheme's assets was £23,783,000, and the actuarial value thereof represented a surplus over past service liabilities of 54%. This valuation was performed using the "projected unit method". The main actuarial assumption was that the long term investment yield will exceed the general rate of earnings increases by 2.0%. The surplus has arisen due to the strong past service funding position.

(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 Asset Investments

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

MAYNE NICKLESS (UK) LIMITEDAND ITS SUBSIDIARY COMPANIESNOTES TO THE ACCOUNTS4th JULY 1993 - (continued)

1. NOTES ON THE ACCOUNTS AND ACCOUNTING POLICIES - (continued)

(k) Goodwill

Items of purchased goodwill and goodwill on consolidation represents 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 group. Costs in respect of such contracts are charged as incurred.

(m) Basis of Consolidation

The consolidated accounts include the company and all its subsidiary undertakings made up to the end of the financial period. Merger accounting principles are adopted where the consideration takes the form of shares issued. Acquisition accounting principles are adopted where the consideration takes the form of cash. The results of subsidiary undertakings acquired during the period are included in the consolidated profit and loss account from the date of their acquisition. The assets of businesses acquired are included at fair value and include, where appropriate, provisions for reorganisation and rationalisation costs.

(n) 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.

(o) Alarm Installations

The full cost of alarm installations, including assets to which title is retained by the group, 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 group.

(p) 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)).

(q) Discontinued operations

After the year end the company announced the sale of the Security Express Guards division. The results of this division have been shown as discontinued operations.

MAYNE NICKLESS (UK) LIMITEDAND ITS SUBSIDIARY COMPANIESNOTES TO THE ACCOUNTS4th JULY 1993 - (continued)2. **TURNOVER**

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

	<u>1993</u>		<u>1992</u>	
	<u>Turnover</u>	<u>Operating Profit/ (Loss)</u>	<u>Turnover</u>	<u>Operating Profit/ (Loss)</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Principal activities:				
Security services	77,826,785	5,898,330	76,232,782	5,613,711
Transport services	128,525,634	10,896,030	107,294,166	9,236,461
Head Office	-	(496,319)	-	(929,497)
	-----	-----	-----	-----
	206,352,419	16,298,041	183,526,948	13,920,675
Less: Intra-group transactions	(474,735)	-	(331,823)	-
	-----	-----	-----	-----
	205,877,684	16,298,041	183,195,125	13,920,675
	=====	=====	=====	=====

3. **OPERATING PROFIT**

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

	<u>1993</u>			<u>1992</u>		
	(a)	(b)	(c)	(a)	(b)	(c)
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Turnover	180,733	25,145	205,878	156,075	27,120	183,195
Raw materials & consumables	952	-	952	776	-	776
(Increase)/decrease in stocks	(282)	-	(282)	7	-	7
Other external charges	35,101	-	35,101	24,934	-	24,934
Operating asset costs	21,572	548	22,120	20,526	702	21,228
Employment costs	74,222	21,213	95,435	67,682	22,696	90,378
Depreciation and other amounts						
written off tangible fixed assets	6,635	512	7,147	6,022	460	6,482
Amortisation of intangible fixed assets	272	-	272	208	-	208
Amortisation of goodwill arising on consolidation	588	211	799	310	154	464
Other operating charges	25,585	2,100	27,685	22,283	2,433	24,716
Deficit on revaluation of fixed assets	108	-	108	-	-	-
Non operating expense	243	-	243	81	-	81
	-----	-----	-----	-----	-----	-----
	15,737	561	16,298	13,246	675	13,921
	=====	=====	=====	=====	=====	=====

MAYNE NICKLESS (UK) LIMITED
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS

4th JULY 1993 - (continued)

3. OPERATING PROFIT - (continued)

The operating profit is stated after charging:-

	<u>1993</u>			<u>1992</u>		
	(a)	(b)	(c)	(a)	(b)	(c)
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Auditors' remuneration						
For audit	101	5	106	125	11	136
For services other than audit	184	21	205	187	30	217
Hire of plant and machinery:						
Operating leases	4,621	129	4,750	4,021	215	4,236
Other	3,806	378	4,184	3,653	371	4,024
Exchange gains/(losses)	26	-	26	(1)	-	(1)
Emoluments of directors of the company including pension contributions						
For management	242	-	242	99	-	99
As directors	-	-	-	-	-	-

The profit on ordinary activities is stated after crediting the following exceptional credits arising in continuing operations:

	<u>1993</u>	<u>1992</u>
	<u>£</u>	<u>£</u>
Depreciation:		
Revision of estimated useful life of certain tangible assets resulting in an adjustment to the charge for the current period	300,255	-
Other operating charges:		
Revision of method used for estimating the provision for bad and doubtful debts	721,000	
Value added tax recoverable on bad debts written off	196,000	
Elimination of balance sheet provisions no longer required	330,000	

	1,247,000	-

	1,547,255	-
	*****	===

MAYNE NICKLESS (UK) LIMITEDAND ITS SUBSIDIARY COMPANIESNOTES TO THE ACCOUNTS4th JULY 1993 - (continued)

4. DIRECTORS' REMUNERATION

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

	<u>1993</u>	<u>1992</u>
	<u>£</u>	<u>£</u>
Emoluments of Chairman	-	-
Emoluments of previous Chairman	-	-
Emoluments of highest paid director	179,410	61,799
	<u>No.</u>	<u>No.</u>
Number of Directors whose emoluments were within the range:		
£0 to £5,000	6	8
£10,001 - £15,000	-	2
£35,001 - £40,000	-	1
£60,001 - £65,000	1	1
£175,001 - £180,000	1	-

5. EMPLOYEE INFORMATION

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

	<u>1993</u>	<u>1992</u>
	<u>No.</u>	<u>No.</u>
Administration and supervision	1,364	1,401
Operational	5,420	5,530

- (b) Group employment costs including payments to Executive Directors employed during the period are analysed below:-

	<u>1993</u>			<u>1992</u>		
	(a)	(b)	(c)	(a)	(b)	(c)
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Aggregate gross wages and salaries paid to employees	68,561	19,371	87,932	62,540	20,813	83,353
Employer's national insurance contributions	5,379	1,792	7,171	4,963	1,883	6,846
Employer's pension contributions under group schemes	282	50	332	179	-	179
	74,222	21,213	95,435	67,682	22,696	90,378
	*****	*****	*****	*****	*****	*****

MAYNE NICKLESS (UK) LIMITED
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS

4th JULY 1993 - (continued)

5. EMPLOYEE INFORMATION- continued

In order to eliminate the surplus in the pension scheme (see note 1(c)), it has been decided, in consultation with the actuaries, to suspend employers' contributions, at least until the next actuarial valuation.

The surplus 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 group 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 £233,000.

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>1993</u>	<u>1992</u>
	<u>£</u>	<u>£</u>
Bank Interest	222,003 =====	289,533 =====

7. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1993</u>	<u>1992</u>
	<u>£</u>	<u>£</u>
Parent undertaking loans	4,889,642	4,487,122
Bank loans and overdrafts	193,788	1,440,992
Finance leases	49,636	88,484
	-----	-----
	5,133,066 =====	6,016,598 =====

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1993</u>	<u>1992</u>
	<u>£</u>	<u>£</u>
Taxation comprises		
UK corporation tax at 33% - current	3,398,000	3,193,000
- prior	-	108,066
Deferred tax - current	1,040,000	(177,000)
- prior	-	(110,000)
	-----	-----
	4,438,000 =====	3,014,066 =====

MAYNE NICKLESS (UK) LIMITEDAND ITS SUBSIDIARY COMPANIESNOTES TO THE ACCOUNTS4th JULY 1993 - (continued)

9. INTANGIBLE FIXED ASSETS

GROUP	<u>Purchased Goodwill</u>	<u>Goodwill on Consolidation</u>	<u>Trade Names</u>	<u>Total</u>
	£	£	£	£
COST				
At 29th June 1992	15,470,983	43,397,469	15,300,000	74,168,452
Additions - external	-	4,396	-	4,396
Disposals - external	(24,774)	-	-	(24,774)
	-----	-----	-----	-----
At 4th July 1993	15,446,209	43,401,865	15,300,000	74,148,074
	=====	=====	=====	=====
ACCUMULATED AMORTISATION				
At 29th June 1992	596,665	2,315,475	50,440	2,962,580
Charge for the period	271,526	653,606	145,714	1,070,846
	-----	-----	-----	-----
At 4th July 1993	868,191	2,969,081	196,154	4,033,426
	=====	=====	=====	=====
NET BOOK VALUE				
At 4th July 1993	14,578,018	40,432,784	15,103,846	70,114,648
	=====	=====	=====	=====
NET BOOK VALUE				
At 29th June 1992	14,874,31	41,081,994	15,249,560	71,205,872
	=====	=====	=====	=====

COMPANY

	<u>Purchased Goodwill</u>
	£
COST	
At 29th June 1992	-
Additions - group	20,470,983
Disposals - external	(24,774)

At 4th July 1993	20,446,209
	=====
ACCUMULATED AMORTISATION	
At 29th June 1992	-
Additions - group	1,351,054
Charge for the period	402,154

At 4th July 1993	1,753,208
	=====
NET BOOK VALUE	
At 4th July 1993	18,693,001
	=====
NET BOOK VALUE	
At 29th June 1992	-
	=====

MAYNE NICKLESS (UK) LIMITED
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS

4th JULY 1993 - (continued)

10. TANGIBLE FIXED ASSETS - GROUP

	Freehold land and buildings	Leasehold land and buildings Long lease	Short Lease	Software plant and equipment	Assets in course of constr'n	Totals
	£	£	£	£	£	£
COST OR VALUATION						
At 29th June 1992	8,476,546	2,479,064	7,401,540	42,062,115	2,778	60,422,043
Additions - external	49,263	-	740,922	7,386,487	154,542	8,331,214
Additions - group	-	-	-	38,361	-	38,361
Disposals - external	-	-	(97,570)	(3,990,527)	-	(4,088,097)
Revaluation	(861,546)	(459,500)	-	-	-	(1,321,046)
Reclassification	-	(551,064)	551,064	-	-	-
At 4th July 1993	7,664,263	1,468,500	8,595,956	45,496,436	157,320	63,382,475
	=====	=====	=====	=====	=====	=====
DEPRECIATION						
At 29th June 1992	322,168	188,525	1,728,515	20,657,352	-	22,896,560
Charge for the period	157,575	54,989	465,790	6,468,646	-	7,147,000
Additions - group	-	-	-	24,104	-	24,104
Disposals - external	-	-	(36,061)	(3,031,288)	-	(3,067,349)
Revaluation	(425,368)	(143,582)	-	-	-	(568,950)
Reclassification	-	(80,620)	80,620	-	-	-
At 4th July 1993	54,375	19,312	2,238,864	24,118,814	-	26,431,365
	=====	=====	=====	=====	=====	=====
NET BOOK VALUE						
At 4th July 1993	7,609,888	1,449,188	6,357,092	21,377,622	157,320	36,951,110
	=====	=====	=====	=====	=====	=====
NET BOOK VALUE						
At 29th June 1992	8,154,378	2,290,539	5,673,025	21,404,763	2,778	37,525,483
	=====	=====	=====	=====	=====	=====
Comparable amounts determined according to the historical cost convention:						
Cost	8,164,980	1,762,368	8,595,956	45,496,436	157,320	64,177,060
Accumulated depreciation	841,401	325,276	2,238,864	24,118,814	-	27,524,355
	=====	=====	=====	=====	=====	=====
NET BOOK VALUE						
At 4th July 1993	7,323,579	1,437,092	6,357,092	21,377,622	157,320	36,652,705
	=====	=====	=====	=====	=====	=====
NET BOOK VALUE						
At 29th June 1992	7,593,177	1,472,340	5,673,006	21,404,753	2,778	36,146,054
	=====	=====	=====	=====	=====	=====

The net book value of the group's fixed assets includes £1,303,193 (1992: £1,742,540) in respect of assets held under finance leases. The depreciation charge for the period includes £434,286 (1992: £594,912) in respect of assets held under finance leases. Freehold land and buildings includes land not depreciated of £2,670,500 (1992: £2,220,000).

MAYNE NICKLESS (UK) LIMITEDAND ITS SUBSIDIARY COMPANIESNOTES TO THE ACCOUNTS4th JULY 1993 - (continued)

10. TANGIBLE FIXED ASSETS - (continued)

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.

11. TANGIBLE FIXED ASSETS - THE COMPANY

	Freehold land and buildings	Leasehold land and buildings Long lease	Short Lease	Software plant and equipment	Assets in course of construction	Totals
	£	£	£	£	£	£
COST OR VALUATION						
At 29th June 1992	7,211,546	1,928,000	-	491,288	-	9,630,834
Additions - group	971,000	-	7,401,540	32,273,002	2,778	40,648,320
Additions - external	49,263	-	735,683	6,685,896	154,542	7,625,384
Disposals - group	(971,000)	-	-	(141,105)	-	(1,112,105)
Disposals - external	-	-	(97,570)	(3,060,929)	-	(3,158,499)
Revaluation	(1,016,546)	(459,500)	-	-	-	(1,476,046)
At 4th July 1993	6,244,263	1,468,500	8,039,653	36,248,152	157,320	52,157,888
	=====	=====	=====	=====	=====	=====
DEPRECIATION						
At 29th June 1992	220,170	107,905	-	355,674	-	683,749
Charge for the period	130,731	54,989	442,570	5,286,274	-	5,914,564
Additions - group	60,441	-	1,728,515	14,481,677	-	16,270,633
Disposals - group	(60,441)	-	-	(72,883)	-	(133,324)
Disposals - external	-	-	(36,061)	(2,352,575)	-	(2,388,636)
Revaluation	(308,368)	(143,582)	-	-	-	(451,950)
At 4th July 1993	42,533	19,312	2,135,024	17,698,167	-	19,895,036
	=====	=====	=====	=====	=====	=====
NET BOOK VALUE						
At 4th July 1993	6,201,730	1,449,188	5,904,629	18,549,985	157,320	32,262,852
	=====	=====	=====	=====	=====	=====
NET BOOK VALUE						
At 29th June 1992	6,991,376	1,820,095	-	135,614	-	8,947,085
	=====	=====	=====	=====	=====	=====

Freehold land and buildings includes land not depreciated of £2,964,500 (1992: £2,220,000).

MAYNE NICKLESS (UK) LIMITEDAND ITS SUBSIDIARY COMPANIESNOTES TO THE ACCOUNTS4th JULY 1993 - (continued)

11. TANGIBLE FIXED ASSETS - THE COMPANY - (continued)

Comparable amounts determined according to the historical cost convention:

	Freehold land and buildings	Leasehold land and buildings Long lease	Short Lease	Software plant and equipment	Assets in course of construction	Totals
	£	£	£	£	£	£
Cost	6,899,980	1,762,368	8,039,653	36,248,152	157,320	53,107,473
Accumulated depreciation	790,801 =====	325,276 =====	2,135,024 =====	17,698,169 =====	- =====	20,949,270 =====
NET BOOK VALUE At 4th July 1993	6,109,179 =====	1,437,092 =====	5,904,629 =====	18,549,983 =====	157,320 =====	32,158,203 =====
NET BOOK VALUE At 29th June 1992	6,353,477 =====	1,472,340 =====	- =====	135,614 =====	- =====	7,961,431 =====

12. RESULTS OF MAYNE NICKLESS (UK) LIMITED

The consolidated profit attributable to the shareholders of Mayne Nickless (UK) Limited includes a profit of £4,037,891 (1992: £202,471) which has been dealt with in the accounts of that company. Mayne Nickless (UK) Limited has taken advantage of the legal dispensation contained within Section 230 of the Companies Act 1985 allowing it not to publish a separate profit and loss account.

13. INVESTMENT IN SUBSIDIARY UNDERTAKINGS AND OTHER INVESTMENTS

- (a) Investments comprise shares in subsidiary undertakings at cost less amounts written off.
- (b) Other investments comprise shares at cost in the West Midlands Training Group Limited.
- (c) Particulars of subsidiary undertakings are as follows:-

MAYNE NICKLESS (UK) LIMITEDAND ITS SUBSIDIARY COMPANIESNOTES TO THE ACCOUNTS4th JULY 1993 - (continued)

13. INVESTMENT IN SUBSIDIARY UNDERTAKINGS AND OTHER INVESTMENTS - continued

<u>Name of Undertaking</u>	<u>Description of Shares held</u>	<u>Proportion of nominal value of shares held</u>
Subsidiary undertakings of Mayne Nickless (UK) Limited:		
Armaguard Limited	50 4.2% Preference Shares of £1 each	100%
	220,000 Ordinary Shares of £1 each	100%
Security Express Alarms Limited		
	5,492,740 Ordinary Shares of £1 each	100%
	6,600 Ordinary Shares of 10p each	100%
	6,600 Deferred Shares of £1 each	100%
Security Express Limited	80,800 Ordinary Shares of £1 each	100%
Parceline Limited	14,025,500 Ordinary Shares of £1 each	100%
DPE International Limited	1,500,000 Ordinary Shares of £1 each	100%
Security Express Guards Limited	13,020,000 Ordinary Shares of £1 each	100%
Conveyerquick Limited	2,250,000 Ordinary Shares of £1 each	100%
Reds Transport Limited	250,100 Ordinary Shares of £1 each	100%
Interlink Express PLC	16,250,000 Ordinary Shares of 5p each	100%
Subsidiary undertaking of Conveyerquick Limited:		
Abba Distribution Limited	110,000 Ordinary Shares of £1 each	100%
Subsidiary undertakings of Interlink Express PLC:		
Interlink Express Parcels Limited	5,000 Ordinary Shares of £1 each	100%
Alternative Solutions Limited	100 Ordinary Shares of £1 each	100%
Subsidiary undertaking of Interlink Express Parcels Limited:		
Interlink Ireland Limited	100 Ordinary Shares of IR£1 each	100%
	893 Redeemable Preference Shares of IR£1 each	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.

During the year Oval (330) Limited, Nationwide Parcel Post Limited and Courier Post Limited went into members voluntary liquidation.

MAYNE NICKLESS (UK) LIMITEDAND ITS SUBSIDIARY COMPANIESNOTES TO THE ACCOUNTS4th JULY 1993 - (continued)

13. INVESTMENT IN GROUP UNDERTAKINGS - (continued)

(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, Con & Quick Limited, Reds Transport Limited, Abba Distribution Limited, Interlink Express PLC and Alternative Solutions Limited have not traded during the period.

14. STOCKS

	<u>1993</u>		<u>1992</u>	
	<u>The Group</u>	<u>The Company</u>	<u>The Group</u>	<u>The Company</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Computer and alarm equipment	121,198	121,198	128,518	-
Spares and consumable items	754,106	530,760	475,629	-
Work in progress	67,965	67,965	56,667	-
	-----	-----	-----	---
	943,269	719,923	660,814	-
	=====	=====	=====	===

15. DEBTORS: Amounts falling due within one year

	<u>1993</u>		<u>1992</u>	
	<u>The Group</u>	<u>The Company</u>	<u>The Group</u>	<u>The Company</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Trade debtors	27,076,402	17,947,826	25,740,608	-
Amounts due from group undertakings:-				
Ultimate holding undertaking	21,807	5,901	48,426	6,066
Subsidiary undertakings	-	-	-	2,416,620
Related undertakings	81,854	80,604	85,993	27,382
Other debtors	699,824	310,761	561,855	13,037
Prepayments and accrued income	5,465,591	4,863,623	4,844,153	17,674
Taxation recoverable	-	-	477,858	532,550
	-----	-----	-----	-----
	33,345,478	23,208,715	31,758,893	3,013,329
Amounts falling due after more than one year:				
Other debtors	793,000	793,000	1,026,000	1,026,000
	-----	-----	-----	-----
	34,138,478	24,001,715	32,784,893	4,039,329
	=====	=====	=====	=====

MAYNE NICKLESS (UK) LIMITED
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS

4th JULY 1993 - (continued)

16. CREDITORS: Amounts falling due within one year

	<u>1993</u>		<u>1992</u>	
	<u>The Group</u>	<u>The Company</u>	<u>The Group</u>	<u>The Company</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Bank loans and overdrafts (unsecured)	624,170	624,170	1,513,314	288,651
Trade creditors	12,842,664	8,269,265	12,382,213	122,618
Amounts due to group undertakings:				
Ultimate holding undertaking	15,906	-	27,681	-
Immediate holding undertaking	51,884,433	51,835,885	59,349,082	59,240,646
Related undertakings	5,240	-	24,086	-
Subsidiary undertakings	-	53,091,199	-	10,889,115
Other creditors including				
Taxation and social security (see below)	13,631,841	9,845,062	13,751,309	340,837
Accruals and deferred income	7,804,482	7,379,205	7,479,927	81,142
	86,808,736	131,044,786	94,527,612	70,963,009
	=====	=====	=====	=====

Other creditors including taxation and social security comprises:-

	<u>1993</u>		<u>1992</u>	
	<u>The Group</u>	<u>The Company</u>	<u>The Group</u>	<u>The Company</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Corporation tax	3,369,275	475,692	3,534,145	-
Other taxes and social security	6,274,493	5,801,995	5,067,085	29,394
Obligations under finance leases	107,769	107,769	171,933	-
Other	3,880,304	3,459,606	4,978,146	311,443
	13,631,841	9,845,062	13,751,309	340,837
	=====	=====	=====	=====

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

	<u>1993</u>		<u>1992</u>	
	<u>The Group</u>	<u>The Company</u>	<u>The Group</u>	<u>The Company</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Obligations under finance leases	288,797	288,797	390,717	-
	=====	=====	=====	=====

MAYNE NICKLESS (UK) LIMITED
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS

4th JULY 1993 - (continued)

18. PROVISION FOR LIABILITIES AND CHARGES

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

	<u>1993</u>		<u>1992</u>	
	<u>The Group</u>	<u>The Company</u>	<u>The Group</u>	<u>The Company</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Fixed asset timing differences	2,598,000	2,544,000	1,862,902	347,000
Losses carried forward	-	-	(304,902)	-
	-----	-----	-----	-----
	2,598,000	2,544,000	1,558,000	347,000
	=====	=====	=====	=====

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>1993</u>	<u>1992</u>
	<u>£</u>	<u>£</u>
Ordinary shares of £1 each		
Authorised	100,000,000	100,000,000
	=====	=====
Allotted and fully paid	35,700,000	35,700,000
	=====	=====

20a. RESERVES - GROUP

	<u>Share premium</u>	<u>Revaluation reserve</u>	<u>Exchange fluctuation reserve</u>	<u>Profit and loss account</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Balance at 29th June 1992	118,806	1,752,187	-	12,991,734
Profit for the year	-	-	-	6,985,105
Currency translation differences	-	-	19,504	-
Deficit on property revaluations	-	(643,636)	-	-
	-----	-----	-----	-----
Balance at 4th July 1993	118,806	1,108,551	19,504	19,976,839
	=====	=====	=====	=====

MAYNE NICKLESS (UK) LIMITEDAND ITS SUBSIDIARY COMPANIESNOTES TO THE ACCOUNTS4th JULY 1993 - (continued)

20b. RESERVES - COMPANY

	<u>Profit & loss</u> <u>account</u> <u>£</u>	<u>Share</u> <u>Premium</u> <u>£</u>	<u>Revaluation</u> <u>Reserve</u> <u>£</u>
Balance at 29th June 1992	5,942,812	118,806	1,743,282
Profit for the year	4,037,891	-	-
Surplus on property revaluations	-	-	(1,034,636)
	-----	-----	-----
Balance at 4th July 1993	9,980,703	118,806	708,646
	=====	=====	=====

21. CAPITAL COMMITMENTS

	<u>1993</u>		<u>1992</u>	
	<u>The Group</u> <u>£</u>	<u>The Company</u> <u>£</u>	<u>The Group</u> <u>£</u>	<u>The Company</u> <u>£</u>
Amounts contracted for but not provided in the accounts	640,209	631,276	2,776,704	-
Amounts approved by the Directors but not contracted for	-	-	221,000	-
	-----	-----	-----	-----
	640,209	631,276	2,997,704	-
	=====	=====	=====	=====

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 4th July 1993 the group was committed to making the following finance lease payments:

	<u>1993</u> <u>£</u>	<u>1992</u> <u>£</u>
Within one year	143,698	220,963
Within two to five years	323,321	461,175
After five years	-	-
	-----	-----
Finance charges allocated to future periods	467,019 (70,453)	682,138 (119,488)
	-----	-----
	396,566	562,650
	=====	=====

MAYNE NICKLESS (UK) LIMITEDAND ITS SUBSIDIARY COMPANIESNOTES TO THE ACCOUNTS4th JULY 1993 - (continued)

25. OPERATING LEASE COMMITMENTS

At 4th July 1993 the group was committed to making the following annual operating lease payments:

	<u>1993</u>		<u>1992</u>	
	<u>Land and Buildings</u>	<u>Other</u>	<u>Land and Buildings</u>	<u>Other</u>
Leases which expire:	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Within one year	60,373	655,710	139,635	378,111
Within two to five years	209,084	2,760,207	225,186	2,093,922
After five years	4,220,150	195,887	3,756,108	187,543

26. RECONCILIATION OF SHAREHOLDERS FUNDS

	<u>1993</u>	<u>1992</u>
	<u>£</u>	<u>£</u>
Profit for the financial year	6,985,105	5,042,569
Other recognised gains and losses	(624,132)	-
Net addition to shareholders funds	6,360,973	5,042,569
Opening shareholders funds	50,562,727	45,520,158
Closing shareholders funds	56,923,700	50,562,727
	=====	=====

27. HOLDING UNDERTAKING

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

The United Kingdom businesses of Mayne Nickless Limited are wholly owned by Mayne Nickless (UK) Limited, which is in turn a wholly owned subsidiary undertaking of Mayne Nickless Europe plc. Both companies are registered in England.

Copies of the accounts of Mayne Nickless Limited and of Mayne Nickless Europe plc can be obtained from the registered office of Mayne Nickless Europe plc at Mabel Street, The Meadows, Nottingham, NG2 3ED.