

MAYNE NICKLESS (UK) LIMITED

Report and Financial Statements

4 July 1994 to 2 July 1995

Registered Number 732993



**MAYNE NICKLESS (UK) LIMITED**  
**DIRECTORS' REPORT ON THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 4 JULY 1994 TO 2 JULY 1995**

1. The Directors present herewith their report and the audited financial statements for the period 4 July 1994 to 2 July 1995.

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 under review and given the current economic climate the results are satisfactory. It is anticipated the company will further develop its main activities in the coming year by both acquisition and organic growth. Since the period end the Group has announced the sale of the Security Express Alarms Division.

4. DIVIDENDS AND RESULTS

The Directors do not recommend the payment of a dividend (1994: £nil). The profits will be transferred 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 4 July 1994 are set out below:-

B F Barham (non-executive) (resigned 27 February 1995)  
R W Hunter (non-executive) (resigned 27 February 1995)  
P L Kearns (resigned 8 December 1994)  
A T Clifton (Australia) (resigned 22 August 1994)  
K E Carr  
J R Cole

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 2 July 1995 held any interest in the shares of group companies at any time during the financial period ended 2 July 1995. As permitted by statutory instrument, the register does not include shareholdings of Directors in any body corporate incorporated outside Great Britain.

**MAYNE NICKLESS (UK) LIMITED**  
**DIRECTORS' REPORT ON THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 4 JULY 1994 TO 2 JULY 1995**

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 £27,246 (1994: £16,634).

10. AUDITORS

On 6 February 1995 our auditors changed the name under which they practise to KPMG and accordingly have signed their report in their new name. In accordance with Section 386(1) of the Companies Act 1985, an elective resolution has been passed such that KPMG remain as auditors without the need for annual re-appointment.

BY ORDER OF THE BOARD



R Dawson  
Secretary

1 December 1995

**MAYNE NICKLESS (UK) LIMITED**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES ON THE FINANCIAL STATEMENTS  
FOR THE PERIOD 4 JULY 1994 TO 2 JULY 1995**

**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, 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, on 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 2 July 1995 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

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KPMG  
Chartered Accountants  
Registered Auditors

8 Salisbury Square  
Blackfriars  
London EC4Y 8BB

10 January 1996.

**MAYNE NICKLESS (UK) LIMITED****FINANCIAL STATEMENTS FOR THE PERIOD 4 JULY 1994 TO 2 JULY 1995****PROFIT AND LOSS ACCOUNT**

	<u>Notes</u>	<u>1995</u> £000	<u>1994</u> £000
TURNOVER			
Continuing operations	1(e),2	173,011	153,063
Discontinued operations		-	3,196
		<u>173,011</u>	<u>156,259</u>
OPERATING PROFIT			
Continuing operations	3	5,399	7,739
Discontinued operations	3	-	(1,316)
OPERATING PROFIT		<u>5,399</u>	<u>6,423</u>
PROFIT/(LOSS) ON DISPOSAL OF FIXED ASSETS			
Continuing operations		36	(6)
Discontinued operations		-	(3)
PROFIT BEFORE INTEREST		<u>5,435</u>	<u>6,414</u>
INTEREST RECEIVABLE AND SIMILAR INCOME	6	51	105
INTEREST PAYABLE AND SIMILAR CHARGES	7	(3,470)	(3,609)
INCOME FROM FIXED ASSET INVESTMENT		-	1,533
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>2,016</u>	<u>4,443</u>
TAX ON PROFIT ON ORDINARY ACTIVITIES	8	(708)	(1,472)
PROFIT FOR THE FINANCIAL PERIOD		<u>1,308</u>	<u>2,971</u>
STATEMENT OF RETAINED PROFITS			
Retained reserves at 4 July 1994		12,952	9,981
Profit for the period		1,308	2,971
Retained reserves at 2 July 1995		<u>14,260</u>	<u>12,952</u>

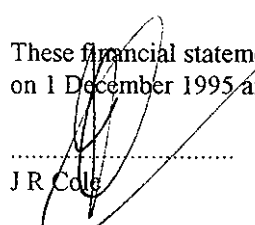
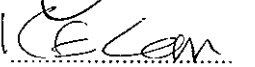
There are no recognised gains or losses other than those included in the profit for the financial period.

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

**MAYNE NICKLESS (UK) LIMITED****FINANCIAL STATEMENTS FOR THE PERIOD 4 JULY 1994 TO 2 JULY 1995****BALANCE SHEET AS AT 2 JULY 1995**

	Notes	1995 £000	1994 £000
<b>FIXED ASSETS</b>			
Intangible assets	9	13,545	13,921
Tangible assets	10	38,397	35,485
Investments in subsidiary undertakings	11	107,122	107,127
Other investments	13	-	-
		<hr/> 159,064	<hr/> 156,533
<b>CURRENT ASSETS</b>			
Stocks	14	667	723
Debtors	15	26,004	29,406
Cash at bank and in hand		6,769	2,588
		<hr/> 33,440	<hr/> 32,717
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	16	(138,614)	(136,452)
		<hr/> (105,174)	<hr/> (103,735)
<b>NET CURRENT LIABILITIES</b>			
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<hr/> 53,890	<hr/> 52,798
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	17	(636)	(937)
<b>PROVISION FOR DEFERRED TAXATION</b>	18	(2,466)	(2,381)
		<hr/> 50,788	<hr/> 49,480
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	35,700	35,700
Share premium account	20	119	119
Revaluation reserve	20	709	709
Profit and loss account	20	14,260	12,952
<b>SHAREHOLDERS' FUNDS</b>		<hr/> 50,788	<hr/> 49,480

These financial statements were approved by the Board of Directors on 1 December 1995 and were signed on its behalf by:

 )  
 J R Cole )  
 )  
 ) DIRECTORS  
 )  
 )  
 K E Carr )

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

**MAYNE NICKLESS (UK) LIMITED**  
**FINANCIAL STATEMENTS FOR THE PERIOD 4 JULY 1994 TO 2 JULY 1995**  
**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

	<u>1995</u>	<u>1994</u>
	£000	£000
Reported profit on ordinary activities before taxation.	2,016	4,443
Difference between historical cost depreciation charge and the actual depreciation charge of the period calculated on the revalued amount.	7	(2)
	<hr/>	<hr/>
Historical cost profit on ordinary activities before taxation.	2,023	4,441
	<hr/>	<hr/>
Historical cost profit for the financial period retained after taxation.	1,315	2,969
	<hr/>	<hr/>

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



**MAYNE NICKLESS (UK) LIMITED**  
**FINANCIAL STATEMENTS FOR THE PERIOD 4 JULY 1994 TO 2 JULY 1995**  
**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 the 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 the treatment for the period was £1,443,000 (1994: £1,415,000).

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.

(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 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.

**MAYNE NICKLESS (UK) LIMITED**  
**FINANCIAL STATEMENTS FOR THE PERIOD 4 JULY 1994 TO 2 JULY 1995**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

1. ACCOUNTING POLICIES (Continued)

- (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 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.
- (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.
- (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.

**MAYNE NICKLESS (UK) LIMITED**  
**FINANCIAL STATEMENTS FOR THE PERIOD 4 JULY 1994 TO 2 JULY 1995**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

1. ACCOUNTING POLICIES (Continued)

(n) **Group Accounts**

The company is exempt from the requirement to prepare group accounts under Section 228 of the Companies Act 1995 due to its results being included in a larger EEC group. These financial statements present information about the undertaking as an individual undertaking and not about its group.

(o) **Cash Flow Statements**

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)).

**MAYNE NICKLESS (UK) LIMITED****FINANCIAL STATEMENTS FOR THE PERIOD 4 JULY 1994 TO 2 JULY 1995****NOTES TO THE FINANCIAL STATEMENTS (Continued)****2. TURNOVER**

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

	<u>1995</u>		<u>1994</u>	
Principal activities:	Turnover £000	Operating Profit/(Loss) £000	Turnover £000	Operating Profit/(Loss) £000
Security Services	74,923	(1,253)	71,609	1,264
Transport Services	98,088	6,068	85,392	4,878
Head Office	-	584	-	281
	<u>173,011</u>	<u>5,399</u>	<u>157,001</u>	<u>6,423</u>
Less: Intra-group transaction	-	-	(742)	-
	<u>173,011</u>	<u>5,399</u>	<u>156,259</u>	<u>6,423</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 analysed as follows; (a) representing total operations, (b) discontinued operations, (c) continuing operations. There were no acquisitions or discontinued operations in the period 4 July 1994 to 2 July 1995.

	<u>1995</u>	<u>1994</u>	<u>1994</u>	<u>1994</u>
	(a) £000	(a) £000	(b) £000	(c) £000
Turnover	173,011	156,259	3,196	153,063
Raw materials and consumables	1,296	1,062	-	1,062
Other external charges	15,669	10,141	-	10,141
Operating asset costs	27,502	23,581	82	23,499
Employment costs	87,969	82,373	2,833	79,540
Depreciation and other amounts				
written off tangible fixed assets	7,475	7,155	50	7,105
Amortisation of intangible fixed assts	377	281	41	240
Other operating charge	27,550	25,331	1,506	23,825
Non operating (income)	(226)	(88)	-	(88)
Operating profit/(loss)	<u>5,399</u>	<u>6,423</u>	<u>(1,316)</u>	<u>7,739</u>

**MAYNE NICKLESS (UK) LIMITED**  
**FINANCIAL STATEMENTS FOR THE PERIOD 4 JULY 1994 TO 2 JULY 1995**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

3. OPERATING PROFIT (Continued)

The operating profit is stated after charging:-	<u>1995</u>	<u>1994</u>
	£000	£000
Auditors' remuneration		
For audit	54	82
For services other than audit	4	21
Depreciation	7,475	7,155
Operating leases:		
Hire of plant and machinery	5,470	5,512
Land and buildings	4,507	5,248
Operating and finance lease of plant and machinery, including depreciation and finance charges	6,648	5,773
Exchange gains/(losses)	4	--
Emoluments of directors of the company including pension contributions		
For management	--	276
As directors	--	--

4. DIRECTORS' REMUNERATION

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

	<u>1995</u>	<u>1994</u>
	£	£
Emoluments of Chairman	--	--
Emoluments of highest paid director	--	131,159
	<u>No.</u>	<u>No.</u>
Number of Directors whose emoluments were within the range:		
£0 - £5,000	6	8
£110,001 - £115,000	-	1
£130,001 - £135,000	-	1

5. EMPLOYEE INFORMATION

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

	<u>1995</u>	<u>1994</u>
Administration and supervision	1,031	1,043
Operational	3,899	3,828
	<u>4,930</u>	<u>4,871</u>

**MAYNE NICKLESS (UK) LIMITED**  
**FINANCIAL STATEMENTS FOR THE PERIOD 4 JULY 1994 TO 2 JULY 1995**  
**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>1995</u>	<u>1994</u>
	<u>£000</u>	<u>£000</u>
Aggregate gross wages and salaries paid to employees	80,012	74,859
Employer's national insurance contributions	6,514	6,099
Employer's pension contribution under group schemes	1,443	1,415
	<u>87,969</u>	<u>82,373</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 £1,443,000 (1994: £1,415,000).

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>1995</u>	<u>1994</u>
	<u>£000</u>	<u>£000</u>
Bank Interest	51	105

7. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1995</u>	<u>1994</u>
	<u>£000</u>	<u>£000</u>
Parent undertaking loans	2,840	3,326
Bank loans and overdrafts	65	22
Finance leases	565	261
	<u>3,470</u>	<u>3,609</u>

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1995</u>	<u>1994</u>
	<u>£000</u>	<u>£000</u>
Taxation comprises		
UK corporation tax at 33% - current	932	1,635
- prior	(309)	--
Deferred tax - current	85	(163)
	<u>708</u>	<u>1,472</u>

**MAYNE NICKLESS (UK) LIMITED**  
**FINANCIAL STATEMENTS FOR THE PERIOD 4 JULY 1994 TO 2 JULY 1995**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**9. INTANGIBLE FIXED ASSETS - PURCHASED GOODWILL**

	<u>1995</u> £000	<u>1994</u> £000
<b>COST</b>		
At 4 July 1994	15,706	20,446
Additions	1	2,351
Disposals - external	--	(7,091)
	<u>15,707</u>	<u>15,706</u>
<b>At 2 July 1995</b>		
<b>ACCUMULATED AMORTISATION</b>		
At 4 July 1994	1,785	1,753
Charge for the period	377	281
Disposals external	--	(249)
	<u>2,162</u>	<u>1,785</u>
<b>At 2 July 1995</b>		
<b>NET BOOK VALUE</b>		
At 2 July 1995	<u>13,545</u>	<u>13,921</u>

**10. TANGIBLE FIXED ASSETS**

	Freehold land and <u>buildings</u> £000	Leasehold land and buildings <u>Longlease</u> <u>Shortlease</u> £000    £000	Software plant and <u>equipment</u> £000	Assets in course of <u>construction</u> £000	<u>Total</u> £000	
<b>COST OR VALUATION</b>						
At 4 July 1994	8,074	2,712	9,425	40,284	647	61,142
Additions	-	19	651	6,855	3,226	10,751
Disposals	-	-	(1)	(2,482)	(1)	(2,484)
Transfer to group companies	-	-	-	(35)	-	(35)
Reclassification	(1)	(35)	-	766	(730)	-
At 2 July 1995	8,073	2,696	10,075	45,388	3,142	69,374
<b>DEPRECIATION</b>						
At 4 July 1994	394	497	2,637	22,129	-	25,657
Charge for the period	161	82	501	6,731	-	7,475
Disposals	-	-	(1)	(2,131)	-	(2,132)
Transfer to group companies	-	-	-	(23)	-	(23)
Reclassification	-	(2)	(9)	11	-	-
At 2 July 1995	555	577	3,128	26,717	-	30,977
<b>NET BOOK VALUE</b>						
At 2 July 1995	7,518	2,119	6,947	18,671	3,142	38,397
<b>NET BOOK VALUE</b>						
At 3 July 1994	7,680	2,215	6,788	18,155	647	35,485

**MAYNE NICKLESS (UK) LIMITED****FINANCIAL STATEMENTS FOR THE PERIOD 4 JULY 1994 TO 2 JULY 1995****NOTES TO THE FINANCIAL STATEMENTS (Continued)****10. TANGIBLE FIXED ASSETS (Continued)**

Freehold land and buildings includes land not depreciated of £2,964,500 (1994: £2,964,500)

The net book value of the company's fixed assets includes £3,051,000 (1994: £1,729,000) in respect of assets held under finance leases. The depreciation charge for the period includes £178,000 (1994: £1,194,000) in respect of assets held under finance leases.

Land and buildings were revalued by an independent Chartered Surveyor on 28 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 <u>Buildings</u> £000	Leasehold land and buildings <u>Long lease</u> £000	<u>Short lease</u> £000	Software plant and <u>equipment</u> £000	Assets in course of <u>construction</u> £000	<u>Total</u> £000
Cost	8,708	3,156	10,075	45,388	3,142	70,469
Accumulated depreciation	(1,290)	(849)	(3,128)	(26,717)	-	(31,984)
<b>NET BOOK VALUE</b>						
At 2 July 1995	7,418	2,307	6,947	18,671	3,142	38,485
<b>NET BOOK VALUE</b>						
At 3 July 1994	7,578	2,398	6,788	18,155	647	35,566

**11. INVESTMENT IN SUBSIDIARY UNDERTAKINGS.**

	<u>1995</u> £000	<u>1994</u> £000
At 4 July 1994	107,127	101,432
Additions	-	7,084
Disposal	(5)	(1,389)
At 2 July 1995	107,122	107,127

**12. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS**

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



**MAYNE NICKLESS (UK) LIMITED**  
**FINANCIAL STATEMENTS FOR THE PERIOD 4 JULY 1994 TO 2 JULY 1995**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

12. INVESTMENT IN SUBSIDIARY UNDERTAKINGS (Continued)

<u>Name of Undertaking</u>	<u>Description of Shares</u>	<u>Proportion of nominal value of shares held</u>
Subsidiary undertaking 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 Ltd	Ordinary	100%
Security Express Guards Ltd	Ordinary	100%
Cash-in-Transit Ltd	Ordinary	100%
Direct Parcel Distribution (UK) Ltd (formerly Conveyerquick Ltd)	Ordinary	100%
Interlink Express plc	Ordinary	100%
Subsidiary undertaking of Interlink Express plc:		
Interlink Express Parcels Ltd	Ordinary	100%
Subsidiary undertaking of Interlink Express Parcels Ltd:		
Interlink Ireland Ltd	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) The principal business activities of these subsidiary undertakings are:-

- (i) Interlink Express Parcels Limited, Interlink Ireland Limited and Direct Parcel Distribution (UK) Limited - the collection and delivery of parcels and packages.
- (ii) Armaguard Limited, Security Express Limited, Security Express Alarms Limited, Security Express Guards Limited, Parceline Limited, DPE International Limited, and Interlink Express plc have not traded during the period.

**MAYNE NICKLESS (UK) LIMITED**  
**FINANCIAL STATEMENTS FOR THE PERIOD 4 JULY 1994 TO 2 JULY 1995**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

13. OTHER INVESTMENTS

	<u>1995</u> £000	<u>1994</u> £000
At 4 July 1994	-	2
Disposal	-	(2)
At 2 July 1995	-	-

14. STOCKS

	<u>1995</u> £000	<u>1994</u> £000
Raw materials and consumables	622	570
Work in progress	45	153
	<u>667</u>	<u>723</u>

15. DEBTORS: Amounts falling due within one year

	<u>1995</u> £000	<u>1994</u> £000
Trade debtors	19,621	20,321
Amounts due from group undertakings:		
Ultimate holding undertaking	-	27
Fellow subsidiary undertakings	176	252
Other debtors	564	1,158
Prepayments and accrued income	5,141	4,694
Amounts falling due after more than one year:	<u>25,502</u>	<u>26,452</u>
Other debtors	502	2,954
	<u>26,004</u>	<u>29,406</u>

16. CREDITORS: Amounts falling due within one year

	<u>1995</u> £000	<u>1994</u> £000
Bank loans and overdrafts (unsecured)	-	204
Trade creditors	13,143	9,723
Amounts due to group undertakings:		
Ultimate holding undertaking	-	4
Immediate holding undertaking	34,650	47,263
Related undertakings	-	126
Subsidiary undertakings	66,178	54,999
Other creditors including		
Taxation and social security (see below)	13,467	16,552
Accruals and deferred income	11,176	7,581
	<u>138,614</u>	<u>136,452</u>

**MAYNE NICKLESS (UK) LIMITED**  
**FINANCIAL STATEMENTS FOR THE PERIOD 4 JULY 1994 TO 2 JULY 1995**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

16. CREDITORS: (Continued)

Other creditors including taxation and social security comprises:-

	<u>1995</u>	<u>1994</u>
	£000	£000
Corporation tax	2,009	3,378
Other taxes and social security	2,589	4,539
Obligations under finance leases	1,775	1,108
Other	7,094	7,527
	<u>13,467</u>	<u>16,552</u>

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

	<u>1995</u>	<u>1994</u>
	£000	£000
Obligations under finance leases	636	937
	<u>636</u>	<u>937</u>

18. DEFERRED TAXATION

	<u>1995</u>	<u>1994</u>
	£000	£000
The movement in deferred taxation is as follows:		
At 4 July 1994	2,381	2,544
Charge/(Credit) for the period in the profit and loss account	85	(163)
At 2 July 1995	<u>2,466</u>	<u>2,381</u>

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

	<u>1995</u>	<u>1994</u>
	£000	£000
Fixed asset timing differences	2,421	2,381
Other timing differences	45	-
	<u>2,466</u>	<u>2,381</u>

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>1995</u>	<u>1994</u>
	£000	£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****FINANCIAL STATEMENTS FOR THE PERIOD 4 JULY 1994 TO 2 JULY 1995****NOTES TO THE FINANCIAL STATEMENTS (Continued)**

20. RESERVES	Profit & loss <u>Account</u> £000	Share <u>Premium</u> £000	Revaluation <u>Reserve</u> £000
Balance at 4 July 1994	12,952	119	709
Profit for the year	1,308	-	-
Balance at 2 July 1995	<u>14,260</u>	<u>119</u>	<u>709</u>

21. CAPITAL COMMITMENTS	<u>1995</u> £000	<u>1994</u> £000
Amounts contracted for but not provided in the accounts	2,430	-
Amounts approved by the Directors but not contracted for	21	-

## 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 2 July 1995 the company was committed to making the following finance lease payments:

	<u>1995</u> £000	<u>1994</u> £000
Within one year	1,937	1,132
Within two to five years	686	1,198
After five years	-	-
	<u>2,623</u>	<u>2,330</u>
Finance charges allocated to future periods	(212)	(285)
	<u>2,411</u>	<u>2,045</u>

**MAYNE NICKLESS (UK) LIMITED****FINANCIAL STATEMENTS FOR THE PERIOD 4 JULY 1994 TO 2 JULY 1995****NOTES TO THE FINANCIAL STATEMENTS (Continued)****25. OPERATING LEASE COMMITMENTS**

At 2 July 1995 the company was committed to making the following annual operating lease payments:

	<u>1995</u>			<u>1994</u>		
	Land and Buildings	Other	Total	Land and Buildings	Other	Total
Leases which expire:						
	£000	£000	£000	£000	£000	£000
Within one year	114	1,132	1,246	11	657	668
Within two to five years	135	3,600	3,735	105	2,860	2,965
After five years	3,943	92	4,035	4,010	56	4,066
	4,192	4,824	9,016	4,126	3,573	7,699

**26. RECONCILIATION OF SHAREHOLDERS FUNDS**

	<u>1995</u> £000	<u>1994</u> £000
Profit for the financial period	1,308	2,971
Total addition to shareholders funds	1,308	2,971
Opening shareholders funds	49,480	46,509
Closing shareholders funds	50,788	49,480

**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.

Mayne Nickless Europe plc is the smallest higher group of undertakings for which group accounts are drawn up.

The largest higher group of undertakings for which group accounts are drawn up of which the company is a member is the Mayne Nickless Limited Group. This company is incorporated in Australia.

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