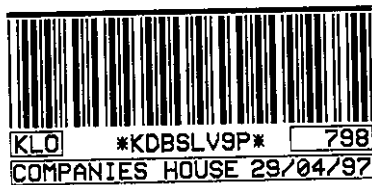


MAYNE NICKLESS (UK) LIMITED

Report and Financial Statements

3 July 1995 to 30 June 1996

Registered Number 732993



MAYNE NICKLESS (UK) LIMITED
DIRECTORS' REPORT ON THE FINANCIAL STATEMENTS
FOR THE PERIOD 3 JULY 1995 TO 30 JUNE 1996

1. The Directors present herewith their report and the audited financial statements for the period 3 July 1995 to 30 June 1996.

2. **PRINCIPAL ACTIVITIES**

Mayne Nickless (UK) Limited is engaged in 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 organic growth.

4. **ACQUISITIONS AND DISPOSALS**

During the year the company made a number of acquisitions and disposals which are detailed below:

On 21 August 1995, as part of a Group reorganisation, the company acquired from Mayne Nickless Europe plc the beneficial interest in all of the then issued share capital of its fellow subsidiary Transportes Helguera SA and on 24 August 1995 these shares were sold to a third party.

On 27 September 1995 the company sold its Security Express Alarms division to Security Monitoring Centres Ltd.

On 28 September 1995, as part of a Group reorganisation, the company acquired from Mayne Nickless Europe plc the beneficial interest in the whole of the issued shares of its fellow subsidiaries Comercial Internacional de Seguridad SA and Seguridad Ingelsa SA and on 9th October 1995, the shares in these companies were sold to Cerberus Proteccion SA and Alarmcom Seguridad SA respectively.

On 6 October 1995, as part of a Group reorganisation, the company acquired from Mayne Nickless European Holdings Ltd the beneficial interest in 49.55% of the issued shares of G.M.I.C. Security SA, a joint venture company. On 30 November 1995 the company and its joint venture partner Generale de Banque SA sold their entire shareholdings in G.M.I.C. Security SA (totalling approximately 99% of the issued share capital) to Rentokil NV.

On 21 June 1996, as part of a Group reorganisation, the company acquired from Mayne Nickless Netherlands BV and Mayne Nickless European Holdings Ltd the beneficial interest in 99% of the issued shares in fellow subsidiary Van der Heijden Logistics Services BV.

On 25 June 1996, the company sold its Security Express / Armaguard cash-in-transit division to Securitas (UK) Ltd.

On 28 June 1996, as part of a Group reorganisation, the company acquired from Mayne Nickless European Holdings Ltd the beneficial interest in the entire issued shares in its fellow subsidiary Mayne Nickless Netherlands BV and on the same day sold all these shares to Mayne International BV.

5. **DIVIDENDS AND RESULTS**

During the period a dividend of £15 million was paid to Mayne Nickless Europe plc (1995: £nil). The losses will be transferred to reserves. The results for the period are shown on page 5.

6. **FIXED ASSETS**

The movements in fixed assets for the period are set out in notes 9, 10, 11 and 12.

7. DIRECTORS

The Directors who have held office since 3 July 1995 are set out below:-

K E Carr
J R Cole (resigned 31 July 1996)
W J Kirk (appointed 31 July 1996)

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 30 June 1996 held any interest in the shares of group companies at any time during the financial period ended 30 June 1996. 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 period amounted to £34,482 (1995: £27,246).

11. AUDITORS

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

11 February 1997

MAYNE NICKLESS (UK) LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES ON THE FINANCIAL STATEMENTS
FOR THE PERIOD 3 JULY 1995 TO 30 JUNE 1996

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 18.

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 30 June 1996 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors

8 Salisbury Square
Blackfriars
London EC4Y 8BB

11 February 1997.

MAYNE NICKLESS (UK) LIMITED**FINANCIAL STATEMENTS FOR THE PERIOD 3 JULY 1995 TO 30 JUNE 1996**

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
		<u>£'000</u>	<u>£'000</u>
TURNOVER			
Continuing operations		111,663	98,088
Discontinued operations		66,706	74,923
	2	<u>178,369</u>	<u>173,011</u>
OPERATING LOSS			
Continuing operations		6,282	7,036
Discontinued operations		(9,646)	(1,637)
OPERATING (LOSS) / PROFIT	3	<u>(3,364)</u>	<u>5,399</u>
LOSS ON DISPOSAL OF SUBSIDIARY		(6,386)	-
LOSS ON DISPOSAL OF DIVISIONS		(8,703)	-
LOSS ON DISPOSAL OF FIXED ASSET INVESTMENT		(750)	-
INCOME FROM SHARES IN GROUP UNDERTAKINGS		10,000	-
INCOME FROM INTEREST IN PARTNERSHIP		(100)	-
INCOME FROM FIXED ASSET INVESTMENT		381	-
PROFIT / (LOSS) ON DISPOSAL OF FIXED ASSETS			
Continuing operations		19	36
Discontinued operations		(21,455)	-
(LOSS) / PROFIT BEFORE INTEREST		<u>(30,358)</u>	<u>5,435</u>
INTEREST RECEIVABLE AND SIMILAR INCOME	6	45	51
INTEREST PAYABLE AND SIMILAR CHARGES	7	(2,999)	(3,470)
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(33,312)</u>	<u>2,016</u>
TAX CREDIT / (CHARGE) ON (LOSS) / PROFIT ON ORDINARY ACTIVITIES	8	5,271	(708)
(LOSS) / PROFIT FOR THE FINANCIAL PERIOD		<u>(28,041)</u>	<u>1,308</u>

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

The notes on pages 8 to 18 form part of these financial statements.

MAYNE NICKLESS (UK) LIMITED
BALANCE SHEET AS AT 30 JUNE 1996

	Notes	1996 £'000	£'000	1995 £'000	£'000
FIXED ASSETS					
Intangible Assets	9		3,592		13,545
Tangible assets	10		22,163		38,397
Investment in group undertakings	11		106,684		107,122
Interest in partnership undertaking	12		13,520		-
			145,959		159,064
CURRENT ASSETS					
Stocks	13	198		667	
Debtors	14	20,729		26,004	
Cash at Bank and in hand		5,929		6,769	
		26,856		33,440	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
	15	(160,692)		(138,614)	
NET CURRENT ASSETS					
			(133,836)		(105,174)
TOTAL ASSETS LESS CURRENT LIABILITIES					
			12,123		53,890
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR					
	16	-			(636)
PROVISION FOR LIABILITIES AND CHARGES					
	17		(66)		(2,466)
NET ASSETS					
			12,058		50,788
CAPITAL AND RESERVES					
Called up share capital	18		39,745		35,700
Share premium account	20		119		119
Revaluation reserve	20		973		709
Profit and loss account	20		(28,781)		14,260
SHAREHOLDERS' FUNDS / EQUITY					
			12,056		50,788

The accounts were approved by the Board of Directors on 11 February 1997 and signed on its behalf by:


W.J. Kirk

)
)
) Directors


K.E. Carr

)
)
)

The notes on pages 8 to 18 form part of these financial statements.

MAYNE NICKLESS (UK) LIMITED
FINANCIAL STATEMENTS FOR THE PERIOD 3 JULY 1995 TO 30 JUNE 1996
NOTE OF HISTORICAL COST PROFITS AND LOSSES

	<u>1996</u>	<u>1995</u>
	<u>£'000</u>	<u>£'000</u>
Reported profit on ordinary activities before taxation	(33,312)	2,016
Difference between historic cost depreciation charge and the actual depreciation charge of the period calculated on the revalued amount	16	7
Historical cost profit on ordinary activities before taxation	<u>(33,296)</u>	<u>2,023</u>
Historical cost profit for the financial period retained after taxation	<u>(28,025)</u>	<u>1,315</u>

The notes on pages 8 to 18 form part of these financial statements.

MAYNE NICKLESS (UK) LIMITED
FINANCIAL STATEMENTS FOR THE PERIOD 3 JULY 1995 TO 30 JUNE 1996
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. Following the disposal of the company's Security Express/Armaguard and Security Express Alarms divisions during the year, in order to comply with the requirements of FRS5, that part of the pension fund surplus relating to these divisions has been credited against the pension charge for the financial year. The net credit to the financial statements arising from the treatment for the period was £373,000 (1995: Charge of £1,443,000).

The last actuarial valuation, as at 6 April 1996, disclosed that the market value of the scheme's assets was £47,024,000, and the actuarial value thereof represented a surplus over past service liabilities of 7.3%. 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 3 JULY 1995 TO 30 JUNE 1996****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**

Profit and loss items expressed in foreign currencies are translated into sterling at average rates for the relevant accounting period. 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.

(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.

(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.

MAYNE NICKLESS (UK) LIMITED
FINANCIAL STATEMENTS FOR THE PERIOD 3 JULY 1995 TO 30 JUNE 1996
NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. ACCOUNTING POLICIES (Continued)

(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 3 JULY 1995 TO 30 JUNE 1996
NOTES TO THE FINANCIAL STATEMENTS

2. TURNOVER

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

	<u>1996</u>		<u>1995</u>	
	<u>Turnover</u>	<u>Operating (Loss)/Profit</u>	<u>Turnover</u>	<u>Operating (Loss)/Profit</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Principal activities:				
Security Services	66,706	(9,646)	74,923	(1,253)
Transport Services	111,663	5,316	98,088	6,068
Head Office	-	966	-	584
	<u>178,369</u>	<u>(3,364)</u>	<u>173,011</u>	<u>5,399</u>

All turnover and (loss) / profit before taxation are derived from activities in the United Kingdom. The directors are of the opinion that any segmental disclosure in addition to the above would be prejudicial to the company and therefore no such additional analysis is presented.

3. OPERATING (LOSS) / PROFIT

The operating (loss) / profit is analysed as follows: (a) represents total operations; (b) discontinued operations; (c) continuing operations. During the period the company disposed of its Security Express Alarms division and its Security Express/Armaguard division.

	<u>1996</u>			<u>1995</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	178,369	66,706	111,663	173,011	74,923	98,088
Raw materials and consumables	1,004	1,004	-	1,296	1,296	-
Other external charges	25,285	4,622	20,663	15,669	-	15,669
Operating asset costs	28,293	4,881	23,412	27,502	10,328	17,174
Employment costs (note 5)	83,822	38,178	45,644	87,969	45,194	42,775
Depreciation and other amounts written off tangible assets	7,780	4,766	3,014	7,475	4,894	2,581
Amortisation of intangible fixed assets	365	3,868	(3,503)	377	203	174
Other operating charges	35,632	15,517	20,115	27,550	14,645	12,905
Non-operating charges / (income)	(448)	3,516	(3,964)	(226)	-	(226)
Operating (Loss) / Profit	<u>(3,364)</u>	<u>(9,646)</u>	<u>6,282</u>	<u>5,399</u>	<u>(1,637)</u>	<u>7,036</u>

The profit on ordinary activities is stated after charging:-

	<u>1996</u>	<u>1995</u>
	<u>£'000</u>	<u>£'000</u>
Auditors' remuneration - audit	50	54
- other services	176	4
Operating Leases:		
Hire of plant and equipment	7,095	5,470
Rental of land and buildings	5,350	4,507
Operating and finance lease of plant and machinery including depreciation and finance charges	8,121	6,648
Foreign Exchange (gain) / loss	(62)	4

MAYNE NICKLESS (UK) LIMITED
FINANCIAL STATEMENTS FOR THE PERIOD 3 JULY 1995 TO 30 JUNE 1996
NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. DIRECTORS REMUNERATION (Continued)

There were no emoluments paid to directors during the current year nor during the previous year.

	<u>1996</u>	<u>1995</u>
	<u>No.</u>	<u>No.</u>
Number of Directors who served during the year:-	<u>2</u>	<u>6</u>

5. EMPLOYEE INFORMATION

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

	<u>1996</u>	<u>1995</u>
Administration and supervision	988	1,031
Operational	<u>3,704</u>	<u>3,899</u>
Total	<u>4,692</u>	<u>4,930</u>

Employment costs are analysed below:-

	<u>1996</u>	<u>1995</u>
	<u>£'000</u>	<u>£'000</u>
Aggregate gross wages and salaries	77,393	80,012
Employers National Insurance Contributions	6,802	6,514
Employers pension scheme contributions under group schemes	<u>(373)</u>	<u>1,443</u>
	<u>83,822</u>	<u>87,969</u>

As explained in Note 1 (c), the company has disposed of its Armoured Car division and its Security Express Alarms division during the year. The surplus in the pension scheme related to the former employees of these divisions has been credited against the pension charge in the profit & loss account for the period, in order to comply with the requirements of FRS 5. The remaining 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 company has shown a net credit in the profit and loss account of £373,000 (1995: Charge of £1,443,000)

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>1996</u>	<u>1995</u>
	<u>£'000</u>	<u>£'000</u>
Bank interest	<u>45</u>	<u>51</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1996</u>	<u>1995</u>
	<u>£'000</u>	<u>£'000</u>
Bank loans and overdraft, all repayable within 5 years	125	65
Group loans	2,729	2,840
Finance leases	<u>145</u>	<u>565</u>
	<u>2,999</u>	<u>3,470</u>

8. TAX CREDIT / (CHARGE) ON (LOSS) / PROFIT ON ORDINARY ACTIVITIES

	<u>1996</u>	<u>1995</u>
	<u>£'000</u>	<u>£'000</u>
Taxation comprises:		
UK corporation tax at 33%		
-current	2,552	(932)
-prior	319	309
Deferred tax	<u>2,400</u>	<u>(85)</u>
Tax Credit / (Charge)	<u>5,271</u>	<u>(708)</u>

MAYNE NICKLESS (UK) LIMITED**FINANCIAL STATEMENTS FOR THE PERIOD 3 JULY 1995 TO 30 JUNE 1996****NOTES TO THE FINANCIAL STATEMENTS (Continued)****9. INTANGIBLE FIXED ASSETS - PURCHASED GOODWILL**

	<u>1996</u> <u>£'000</u>	<u>1995</u> <u>£'000</u>
COST		
At 3 July 1995	15,707	15,706
Additions	-	1
Disposals - external	<u>(10,707)</u>	<u>-</u>
At 30th June 1996	<u>5,000</u>	<u>15,707</u>
ACCUMULATED AMORTISATION		
At 3 July 1995	2,162	1,785
Charge for the period	365	377
Disposals - external	<u>(1,119)</u>	<u>-</u>
At 30th June 1996	<u>1,408</u>	<u>2,162</u>
NET BOOK VALUE		
At 30th June 1996	<u>3,592</u>	<u>13,545</u>

10. TANGIBLE FIXED ASSETS

	<u>Freehold land and buildings</u> <u>£'000</u>	<u>Leasehold land and buildings</u> <u>Long lease</u> <u>£'000</u>	<u>Short lease</u> <u>£'000</u>	<u>Software plant and equipment</u> <u>£'000</u>	<u>Assets in course of construction</u> <u>£'000</u>	<u>Total</u> <u>£'000</u>
COST OR VALUATION						
At 3 July 1995	8,073	2,696	10,075	45,388	3,142	69,374
Additions	194	-	501	6,400	7,153	14,248
Revaluation adjustments	(5)	-	-	-	-	(5)
Reclassifications	1,718	-	270	4,200	(6,188)	-
Transfer to group companies	(108)	-	-	-	-	(108)
Disposals - external	<u>(2,547)</u>	<u>(2,696)</u>	<u>(8,462)</u>	<u>(34,775)</u>	<u>(29)</u>	<u>(48,509)</u>
At 30 June 1996	<u>7,325</u>	<u>-</u>	<u>2,384</u>	<u>21,213</u>	<u>4,078</u>	<u>35,000</u>
DEPRECIATION						
At 3 July 1995	555	577	3,128	26,717	-	30,977
Charge for the period	227	-	702	6,851	-	7,780
Revaluation adjustments	(270)	-	-	-	-	(270)
Transfer to group companies	(73)	-	-	-	-	(73)
Disposals - external	<u>(395)</u>	<u>(577)</u>	<u>(3,004)</u>	<u>(21,600)</u>	<u>-</u>	<u>(25,576)</u>
At 30 June 1996	<u>44</u>	<u>-</u>	<u>826</u>	<u>11,968</u>	<u>-</u>	<u>12,838</u>
NET BOOK VALUE						
At 30 June 1996	<u>7,281</u>	<u>-</u>	<u>1,558</u>	<u>9,245</u>	<u>4,078</u>	<u>22,162</u>
At 3 July 1995	<u>7,518</u>	<u>2,119</u>	<u>6,947</u>	<u>18,671</u>	<u>3,142</u>	<u>38,397</u>

MAYNE NICKLESS (UK) LIMITED
FINANCIAL STATEMENTS FOR THE PERIOD 3 JULY 1995 TO 30 JUNE 1996
NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. TANGIBLE FIXED ASSETS (continued)

Freehold land and buildings includes land not depreciated of £3,080,000 (1995: £2,964,500)

The net book value of the company's fixed assets includes £1,606,342 (1995: £3,051,282) in respect of assets held under finance leases. The depreciation charge for the period includes £1,026,213 (1995: £1,177,954) in respect of assets held under finance leases.

Land and buildings were revalued by an independent Chartered Surveyor on 29th February 1996 on an existing use basis.

Comparable amounts determined according to the historical cost convention are as follows:

	Freehold land and buildings	Leasehold land and buildings	Software plant and equipment	Assets in course of construction	Total
	£'000	Long lease £'000	Short lease £'000	£'000	£'000
Cost	7,589	-	2,384	21,213	4,078
Accumulated depreciation	(280)	-	(826)	(11,968)	-
Net Book Value at 30 June 1996	7,309	-	1,558	9,245	4,078
Net Book Value at 3rd July 1995	7,418	2,307	6,947	18,671	3,142

11. INVESTMENTS IN GROUP UNDERTAKINGS

	1996 £'000	1995 £'000
INVESTMENTS IN SUBSIDIARY UNDERTAKINGS		
At 3 July 1995	107,127	107,127
New investments	-	-
Disposals	(438)	(5)
At 30 June 1996	106,684	107,122

(a) Investments comprises shares in subsidiary undertakings at cost less amounts written-off.

(b) Particulars of subsidiary undertakings are as follows:-

Name of Undertaking	Country	Code	Description of shares held	Proportion of nominal value of shares held
<u>Subsidiaries of Mayne Nickless (UK) Limited</u>				
Interlink Express plc	UK	(1)	Ordinary	100%
Armaguard Limited	UK	(2)	Ordinary	100%
Security Express Alarms Limited	UK	(2)	Ordinary	100%
Security Express Limited	UK	(2)	Ordinary	100%
Parceline Limited	UK	(2)	Ordinary	100%
DPE International Limited	UK	(2)	Ordinary	100%
Security Express Guards Limited	UK	(2)	Ordinary	100%
Cash-in-Transit Limited	UK	(2)	Ordinary	100%
Direct Parcel Distribution (UK) Limited	UK	(3)	Ordinary	100%
<u>Subsidiary of Interlink Express plc</u>				
Interlink Express Parcels Limited	UK	(3)	Ordinary	100%
<u>Subsidiary of Interlink Express Parcels Limited</u>				
Interlink Ireland Limited	Ireland	(3)	Ordinary	100%
			Redeemable Preference	100%

All the above undertakings which are incorporated in the UK are registered in England and Wales .

MAYNE NICKLESS (UK) LIMITED
FINANCIAL STATEMENTS FOR THE PERIOD 3 JULY 1995 TO 30 JUNE 1996
NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS (continued)

In the opinion of the directors the investments in and amounts due from the company's subsidiary undertakings are worth at least the amount at which they are stated in the balance sheet.

The numbers in brackets relate to the following business types:

- (1) Sub-holding company
- (2) Dormant
- (3) Collection and delivery of parcels and packages on an overnight basis.
- (4) Warehousing and distribution

INVESTMENT IN ASSOCIATE UNDERTAKINGS	<u>1996</u>	<u>1995</u>
	<u>£'000</u>	<u>£'000</u>
Investment purchased from holding company	9,840	-
Disposal outside group	(9,840)	-
At 30 June 1996	<u>-</u>	<u>-</u>

12. INTEREST IN PARTNERSHIP UNDERTAKING

On 24 June, 1996 the company purchased a 99% interest in VOF Mayne Nickless SNC, a partnership undertaking carrying on business in Belgium. The remaining 1% interest in the undertaking is held by Mayne Nickless European Holdings Limited, a fellow subsidiary of Mayne Nickless (UK) Limited. These two companies are the participants in the partnership undertaking. The investment is stated at cost less the company's share of the losses of the partnership undertaking from the date the interest was acquired. The aggregate amount of the capital and reserves of VOF Mayne Nickless SNC at 30 June 1996 amounted to £9.948 million.

13. STOCKS	<u>1996</u>	<u>1995</u>
	<u>£'000</u>	<u>£'000</u>
Raw materials and consumables	198	622
Work in progress	-	45
	<u>198</u>	<u>667</u>
14. DEBTORS	<u>1996</u>	<u>1995</u>
	<u>£'000</u>	<u>£'000</u>
Amounts falling due within one year		
Trade debtors	11,843	19,621
Amounts due from group undertakings:		
Related undertaking	-	176
Other debtors	270	564
Prepayments and accrued income	4,273	5,141
Taxation recoverable	2,495	-
	<u>18,881</u>	<u>25,502</u>
Amounts falling due after more than one year		
Other debtors	1,848	502
	<u>20,729</u>	<u>26,004</u>

MAYNE NICKLESS (UK) LIMITED**FINANCIAL STATEMENTS FOR THE PERIOD 3 JULY 1995 TO 30 JUNE 1996****NOTES TO THE FINANCIAL STATEMENTS (Continued)**

15. CREDITORS: Amounts falling due within one year	<u>1996</u>	<u>1995</u>
	<u>£'000</u>	<u>£'000</u>
Bank loans and overdrafts		
- unsecured	504	-
Trade creditors	10,248	13,143
Amounts due to group undertakings:		
Immediate holding undertaking	55,695	34,650
Subsidiary undertakings	69,730	66,178
Fellow subsidiary undertakings	12,661	-
Other creditors including taxation and social security (see below)	6,678	13,467
Accruals and deferred income	5,176	11,176
	<u>160,692</u>	<u>138,614</u>

Other creditors including taxation and social security comprises:	<u>1996</u>	<u>1995</u>
	<u>£'000</u>	<u>£'000</u>
Corporation tax	-	2,009
Other taxes and social security	1,357	2,589
Obligations under finance leases	36	1,775
Other	5,285	7,094
	<u>6,678</u>	<u>13,467</u>

16. CREDITORS: Amounts falling due after one year	<u>1996</u>	<u>1995</u>
	<u>£'000</u>	<u>£'000</u>
Obligations under finance leases	-	636

17. PROVISION FOR LIABILITIES AND CHARGES - (DEFERRED TAX)

The movement in deferred taxation is as follows:

	<u>1996</u>	<u>1995</u>
	<u>£'000</u>	<u>£'000</u>
At 3 July 1995	2,466	2,381
(Credit) / Charge for the period in profit and loss	(2,400)	85
At 30 June 1996	<u>66</u>	<u>2,466</u>

The potential liabilities for deferred taxation of the company and the provisions made are set out below:

	<u>1996</u>	<u>1995</u>
	<u>£'000</u>	<u>£'000</u>
Fixed asset timing differences	66	2,421
Other timing differences	-	45
	<u>66</u>	<u>2,466</u>

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

There are no further unprovided liabilities for deferred taxation.

18. SHARE CAPITAL	<u>1996</u>	<u>1995</u>
	<u>£'000</u>	<u>£'000</u>
Ordinary shares of £1 each		
Authorised	100,000	100,000
Issued and fully paid	<u>39,745</u>	<u>35,700</u>

During the period 4,044,536 fully paid ordinary shares were allotted at par. The funds arising from the shares issued were utilised to make a capital subscription into the company's former subsidiary, Transportes Helguera SA. This subsidiary was acquired from the holding company, Mayne Nickless Europe plc, prior to its disposal outside of the Group.

MAYNE NICKLESS (UK) LIMITED**FINANCIAL STATEMENTS FOR THE PERIOD 3 JULY 1995 TO 30 JUNE 1996****NOTES TO THE FINANCIAL STATEMENTS (Continued)****19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<u>1996</u> <u>£'000</u>	<u>1995</u> <u>£'000</u>
(Loss) / Profit for the financial period	(28,041)	1,308
New Capital subscribed	4,045	-
Movement in revaluation reserve	264	-
Dividends paid	(15,000)	-
Net addition to Shareholders' funds	(38,732)	1,308
Opening funds	50,788	49,480
Closing Shareholders' funds	<u>12,056</u>	<u>50,788</u>

20. RESERVES

	Retained profits <u>£'000</u>	Share Premium <u>£'000</u>	Revaluation reserve <u>£'000</u>
At 3 July 1995	14,260	119	709
Profit for the period	(28,041)		
Revaluation during the period			264
Dividends	(15,000)		
At 30 June 1996	<u>(28,781)</u>	<u>119</u>	<u>973</u>

21. CAPITAL COMMITMENTS

	<u>1996</u> <u>£'000</u>	<u>1995</u> <u>£'000</u>
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) to the accounts.

23. CONTINGENT LIABILITIES

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

24. FINANCE LEASE COMMITMENTS

At 30 June 1996 the company was committed to making the following finance lease payments:

	<u>1996</u> <u>£'000</u>	<u>1995</u> <u>£'000</u>
Within one year	36	1,937
Within two to five years	-	686
After five years	-	-
	36	2,623
Finance charges allocated to future periods	-	(212)
	<u>36</u>	<u>2,411</u>

MAYNE NICKLESS (UK) LIMITED**FINANCIAL STATEMENTS FOR THE PERIOD 3 JULY 1995 TO 30 JUNE 1996****NOTES TO THE FINANCIAL STATEMENTS (Continued)****25. OPERATING LEASE COMMITMENTS**

At 30 June 1996 the company had the following annual commitments under operating leases:

			<u>1996</u>			<u>1995</u>
	Land and Buildings	Other	Total	Land and Buildings	Other	Total
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Leases which expire:						
Within one year	39	597	636	114	1,132	1,246
Within two to five years	281	3,773	4,054	135	3,600	3,735
After five years	3,082	435	3,517	3,943	92	4,035
	<u>3,402</u>	<u>4,805</u>	<u>8,207</u>	<u>4,192</u>	<u>4,824</u>	<u>9,016</u>

The company had no other capital commitments at the year end.

26. ULTIMATE PARENT COMPANY AND PARENT UNDERTAKING OF LARGER GROUP OF WHICH THE COMPANY IS A MEMBER

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

The largest group in which the results of the company are consolidated is that headed by Mayne Nickless Limited, incorporated in Australia. The smallest group in which they are consolidated is that headed by Mayne International B.V., a company incorporated in Holland. The consolidated accounts of these groups are available to the public and may be obtained from the registered offices as follows:-

Mayne Nickless Limited:	390 St. Kilda Road Melbourne Victoria 3001 Australia
Mayne International B.V.:	Achtseweg Noord 1 5651 GG Eindhoven Netherlands