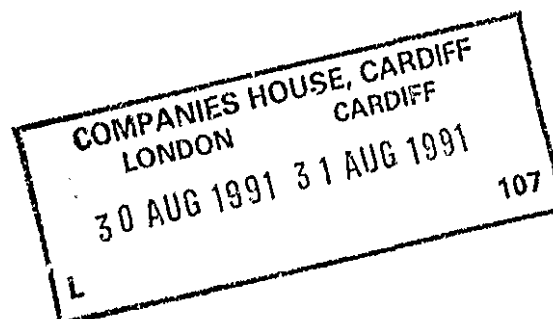




BDO Binder Hamlyn  
Chartered Accountants

SECURIGUARD SERVICES (NORTHERN) LIMITED  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
for the 52 weeks ended  
4 NOVEMBER 1990



Company Number 1192510



As at 31st August 1991 the company's financial statements have been audited by BDO Binder Hamlyn, Chartered Accountants, Cardiff, and a Certificate of Audit has been issued by them. The company's financial statements for the year ended 31st August 1991 have been audited by BDO Binder Hamlyn, Chartered Accountants, Cardiff, and a Certificate of Audit has been issued by them. The company's financial statements for the year ended 31st August 1991 have been audited by BDO Binder Hamlyn, Chartered Accountants, Cardiff, and a Certificate of Audit has been issued by them.

## SECURIGUARD SERVICES (NORTHERN) LIMITED

## DIRECTORS' REPORT

for the 52 weeks ended 4 NOVEMBER 1990

The directors present their annual report and the financial statements for the 52 weeks ended 4 November 1990.

## PRINCIPAL ACTIVITY

The company's principal activity is the provision of security services.

## TRADING RESULTS AND DIVIDENDS

The profit on ordinary activities before taxation for the 52 weeks amounted to £159,921 (1989: £104,549).

The directors recommend payment of a dividend for the 52 weeks of £100,357 (1989: £67,612).

On the 5 November 1990, the trade and activities of the company were transferred to Securiguard Services Limited.

## DIRECTORS AND THEIR INTERESTS

The directors who have held office during the year are as shown below:

G E Allen	(resigned 17 January 1990)
G C Drummond	(resigned 23 January 1991)
D Harrison	(resigned 23 January 1991)
K A Wood	(appointed 17 January 1990)
R J Platais	(appointed 23 January 1991)

The directors have no interests in the shares of the company.

The interests of the directors (who are not directors of the holding company) in the shares of the holding company are as follows:

	4 November 1990			6 November 1989		
	Ordinary shares	Option schemes Employee	Executive	Ordinary shares	Option schemes Employee	Executive
D Harrison	5,000	10,000	-	8,250	10,000	-
G C Drummond	-	5,000	-	-	5,000	-
K A Wood	-	25,000	15,000	-	10,000	15,000

The Employee options were granted under the Securiguard Group Employee Share Option Scheme and are ordinarily exercisable between 1990 and 2000.

The Executive options were granted under the Securiguard Group Executive Performance Share Option Scheme and are ordinarily exercisable between 1994 and 1999.

## TANGIBLE FIXED ASSETS

Details of the movements in tangible fixed assets are shown in note 6 to the financial statements.

SECURIGUARD SERVICES (NORTHERN) LIMITED

DIRECTORS' REPORT

for the 52 weeks ended 4 NOVEMBER 1990  
(continued)

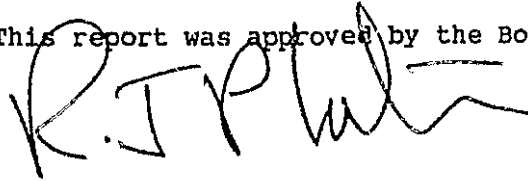
EMPLOYMENT POLICY

The company places emphasis on employee involvement. The holding company has established a Group Employee Share Option Scheme. The group considers that employee share ownership should continue to be an important feature of employee participation. Regular meetings and consultations are held with employees to provide them with information concerning their employment. The company has a continuing policy of giving the disabled consideration for job vacancies for which they offer themselves as suitable applicants and has regard to their particular aptitudes and abilities.

AUDITORS

A resolution to reappoint BDO Binder Hamlyn as auditors will be submitted to the Annual General Meeting.

This report was approved by the Board on



Secretary

Shakespeare House  
168 Lavender Hill  
London  
SW11 5TG

AUDITORS' REPORT TO THE MEMBERS OF  
SECURIGUARD SERVICES (NORTHERN) LIMITED

We have audited the financial statements on pages 4 to 13 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 4 November 1990 and of its profit and source and application of funds for the 52 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.

*BDO Binder Hamlyn*

*28th August, 1991.*

## SECURIGUARD SERVICES (NORTHERN) LIMITED

## PROFIT AND LOSS ACCOUNT

for the 52 weeks ended 4 NOVEMBER 1990

	Notes	1990 £	1989 £
TURNOVER		4,475,801	5,094,767
Cost of sales		(3,116,279)	(3,481,180)
GROSS PROFIT		1,359,522	1,613,587
Administrative expenses		(1,191,685)	(1,465,720)
Interest payable	2	(7,916)	(43,318)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		159,921	104,549
Taxation on profit on ordinary activities	4	(59,564)	(36,937)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		100,357	67,612
Dividend	5	(100,357)	(67,612)
Transfer to reserves		£ -	£ -

## SECURIGUARD SERVICES (NORTHERN) LIMITED

BALANCE SHEET at 4 NOVEMBER 1990

	Notes	1990 £	1989 £
<b>FIXED ASSETS</b>			
Tangible assets	6	172,397	257,951
<b>CURRENT ASSETS</b>			
Debtors	7	733,108	1,202,869
Cash at bank and in hand		2,014	2,033
		735,122	1,204,902
CREDITORS: Amounts falling due within one year	8	(902,284)	(1,442,602)
<b>NET CURRENT LIABILITIES</b>		(167,162)	(237,700)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5,235	20,251
CREDITORS: Amounts falling due after more than one year	9	(1,058)	(11,114)
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	10	(4,077)	(9,037)
<b>NET ASSETS</b>		£ 100	£ 100
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	100	100
Profit and loss account		-	-
		£ 100	£ 100

The financial statements on pages 4 to 13 were approved by the Board on

*R. J. P. [Signature]*

) Directors

*H. O. [Signature]*

SECURIGUARD SERVICES (NORTHERN) LIMITED  
STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
for the 52 weeks ended 4 NOVEMBER 1990

	1990		1989	
	£	£	£	£
SOURCE OF FUNDS				
Profit before taxation		159,921		104,549
Adjustment for item not involving the use of funds				
Depreciation		60,280		70,696
		<u>          </u>		<u>          </u>
FUNDS GENERATED FROM OPERATIONS		220,201		175,245
FUNDS FROM OTHER SOURCES				
Disposal of fixed assets		118,543		36,714
		<u>          </u>		<u>          </u>
		338,744		211,959
APPLICATION OF FUNDS				
Purchase of fixed assets	93,269		208,156	
Dividend paid	67,612		64,713	
Taxation paid	9,300		6,217	
Increase in working capital	464,411		291,168	
	<u>          </u>	634,592	<u>          </u>	570,254
		<u>          </u>		<u>          </u>
(DECREASE) IN NET LIQUID FUNDS		£(295,848)		£(358,295)
		<u>          </u>		<u>          </u>
MOVEMENT IN WORKING CAPITAL				
Decrease/(increase) in debtors		469,761		(486,117)
(Decrease)/increase in creditors		(874,120)		178,764
(Decrease)/increase in hire purchase finance		(60,052)		16,185
		<u>          </u>		<u>          </u>
		£(464,411)		£(291,168)
		<u>          </u>		<u>          </u>

## SECURIGUARD SERVICES (NORTHERN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the 52 weeks ended 4 NOVEMBER 1990

## 1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's financial statements.

- (a) The financial statements have been prepared under the historical cost convention.
- (b) Depreciation is charged at the following rates to write off the cost of fixed assets over their useful lives.

Motor vehicles	-	25% reducing balance
Computer	-	25% straight line
Fixtures, fittings and equipment	-	15% straight line
Leasehold improvements	-	5% straight line

- (c) Provision is made for deferred taxation to the extent that a liability is expected to arise in the foreseeable future.
- (d) Assets acquired under hire purchase agreements are included in tangible assets at cost and depreciation is provided in accordance with the accounting policy. Interest is charged evenly over the term of the agreement and the capital element of future payments is included in creditors.

Operating lease rentals and hire charges are charged to the profit and loss account on a straight line basis over the agreement periods.

- (e) The employees of the company are eligible to be members of a defined contribution pension scheme.

The contributions to the scheme are charged against profits as they become payable.

- (f) The financial statements have been prepared in accordance with applicable accounting standards.

## 2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1990	1989
After charging:	£	£
Directors' emoluments (see note 3)	72,527	103,298
Depreciation	60,280	70,696
Leasing and hire charges - Land and buildings	40,946	31,541
- Plant and machinery	47,929	98,268
Auditors' remuneration	5,600	7,400
Bank interest	634	33,171
Hire purchase interest	7,282	10,147
	<u>          </u>	<u>          </u>



## SECURIGUARD SERVICES (NORTHERN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the 52 weeks ended 4 NOVEMBER 1990  
(continued)

## 3. DIRECTORS AND EMPLOYEES

	1990 £	1989 £
(a) Directors' emoluments comprise:		
Management remuneration	66,390	97,352
Pensions	6,137	5,946
	<u>£ 72,527</u>	<u>£103,298</u>

Directors' remuneration excluding pension contributions was as follows:

Highest paid director	<u>£ 37,568</u>	<u>£ 37,191</u>
Other directors		
£0 - £ 5,000	3	-
£10,001 - £15,000	-	1
£15,001 - £20,000	-	1
£20,001 - £25,000	-	1
£25,001 - £30,000	1	-
	<u>          </u>	<u>          </u>

## (b) Employees

The average number of employees, during the 52 weeks was as follows:

	1990 Number	1989 Number
Operations	476	666
Administration	31	45
	<u>507</u>	<u>711</u>

## Staff costs:

	£	£
Wages and salaries	3,341,186	3,779,985
Social security costs	291,162	318,943
Other pensions	6,573	5,946
	<u>£3,638,921</u>	<u>£4,104,874</u>

## SECURIGUARD SERVICES (NORTHERN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the 52 weeks ended 4 NOVEMBER 1990  
(continued)

## 3. DIRECTORS AND EMPLOYEES (continued)

(c) Pension costs	1990	1989
The pension charge for the 52 weeks payable to defined contribution schemes	£ 6,573	£ 5,946
	<u>          </u>	<u>          </u>
At 4 November 1990 the company had the following outstanding and prepaid contributions:		
Outstanding contributions	£12,919	£ 4,431
	<u>          </u>	<u>          </u>
Prepaid contributions	£ 4,753	£ 3,191
	<u>          </u>	<u>          </u>

## 4. TAXATION

The taxation charge is based on the profit for the year and comprises:	1990	1989
	£	£
Corporation tax at 35% (1989: 35%)	64,524	33,163
Deferred taxation (note 10)	(4,960)	3,774
	<u>          </u>	<u>          </u>
	+ 59,564	£36,937
	<u>          </u>	<u>          </u>

## 5. DIVIDEND

	1990	1989
Proposed	£100,357	£67,612
	<u>          </u>	<u>          </u>

## SECURIGUARD SERVICES (NORTHERN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the 52 weeks ended 4 NOVEMBER 1990  
(continued)

6. TANGIBLE FIXED ASSETS	Leasehold improvements £	Equipment, fixtures and fittings £	Computer £	Motor vehicles £	Total £
Cost					
At 6 November 1989	6,335	319,774	57,326	150,812	534,247
Additions:					
- Group	-	381	-	19,168	19,549
- 3rd party	566	21,893	42,168	9,093	73,720
Disposals:					
- Group	-	(100,108)	(16,620)	(78,694)	(195,422)
- 3rd party	-	(3,157)	-	(15,077)	(18,234)
At 4 November 1990	6,901	238,783	82,874	85,302	413,860
Depreciation					
At 6 November 1989	261	210,905	23,724	41,406	276,296
Provision for year	332	21,095	13,911	24,942	60,280
Disposals:					
- Group	-	(49,927)	(5,226)	(27,389)	(82,542)
- 3rd party	-	(2,378)	-	(10,193)	(12,571)
At 4 November 1990	593	179,695	32,409	28,766	241,463
Net book value					
At 4 November 1990	£ 6,308	£ 59,088	£50,465	£ 56,536	£172,397
At 5 November 1989	£ 6,074	£108,869	£33,602	£109,406	£257,951

The net book value of motor vehicles acquired under hire purchase agreements included in the above is £19,368 (1989: £112,006), depreciation charged in the year on these assets was £5,756 (1989: £29,773). The net book value of computer equipment acquired under hire purchase agreements included in the above is £8,445 (1989: Nil), depreciation charged in the year on these assets was £3,659 (1989: Nil).

7. DEBTORS	1990 £	1989 £
Trade debtors	453,604	731,812
Amounts owed by group companies	71,529	145,607
Sundry debtors	47,533	29,050
Prepayments and accrued income	158,442	296,400
	<u>£733,108</u>	<u>£1,202,869</u>

## SECURIGUARD SERVICES (NORTHERN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the 52 weeks ended 4 NOVEMBER 1990  
(continued)

## 8. CREDITORS: Amounts falling due within one year

	1990 £	1989 £
Bank overdraft	296,151	322
Hire purchase loans	11,138	61,134
Trade creditors	41,193	79,116
Amounts owed to group companies	88,361	75,700
Other creditors	86,327	108,382
Corporation tax payable	128,920	73,696
Other taxes and social security	136,723	168,301
Accruals and deferred income	13,114	88,339
Proposed dividend	100,357	67,612
	<u>£902,284</u>	<u>£1,442,602</u>

## 9. CREDITORS: Amounts falling after more than one year

	1990	1989
Hire purchase loans	£ 1,058	£11,114
	<u>          </u>	<u>          </u>

The hire purchase loans are all payable between one and two years.

## 10. PROVISION FOR LIABILITIES AND CHARGES

	£
Deferred taxation	
At 6 November 1989	9,037
Released to profit and loss account (see note 4)	(4,960)
	<u>          </u>
At 4 November 1990	£ 4,077
	<u>          </u>

## SECURIGUARD SERVICES (NORTHERN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the 52 weeks ended 4 NOVEMBER 1990  
(continued)

## 11. DEFERRED TAXATION

Deferred taxation provided in the financial statements and the total potential tax liability including the amounts for which provision has been made are as follows:

	1990		1989	
	Potential	Provided	Potential	Provided
Accelerated capital allowances	£ 4,077	£ 4,077	£ 9,037	£ 9,037

## 12. SHARE CAPITAL

At 4 November 1990 and 6 November 1989  
Ordinary shares of £1 each

	Authorised	Allotted, and fully paid
	£ 100	£ 100

## 13. FINANCIAL COMMITMENTS

## a) Capital commitments

Contracted for

	1990	1989
	£ -	£ -

## b) Commitments under operating leases

	1990		1989	
	Land and buildings £	Other £	Land and buildings £	Other £
Within one year	-	14,701	-	26,821
Between two and five years	14,500	2,640	-	3,949
Over five years	23,940	-	40,448	-
	£38,440	£17,341	£40,448	£30,770

## 14. CONTINGENT LIABILITIES

The company is party to a composite cross guarantee entered into by all group companies whose total bank borrowings are £15,366,000 (1989: £6,744,000) and hire purchase liabilities are £1,833,000 (1989: £1,987,000).

## SECURIGUARD SERVICES (NORTHERN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the 52 weeks ended 4 NOVEMBER 1990  
(continued)

## 15. POST BALANCE SHEET EVENT

On the 5 November 1990, the trade and activities of the company were transferred to Securiguard Services Limited.

## 16. ULTIMATE HOLDING COMPANY

The directors regard Securiguard Group plc, a company incorporated in England, as the ultimate holding company.