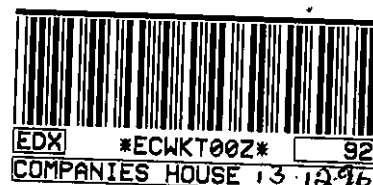

First Security (Guards) Limited

Report and Accounts

31 March 1996



First Security (Guards) Limited

Registered No. 2053619

DIRECTORS

T A Brentnall
R W Farrow
D G Nineberg
M K Randall

SECRETARY

D A G How

AUDITORS

Ernst & Young
Commercial Union House
Albert Square
Manchester
M2 6LP

REGISTERED OFFICE

The Roller Mill
Mill Lane
Uckfield
East Sussex
TN22 5AA

DIRECTORS' REPORT

The directors present their report and the group accounts for the year ended 31 March 1996.

RESULTS AND DIVIDENDS

The group profit for the year after taxation amounted to £687,000 (1995 - £1,095,000). Dividends of £500,000 have been declared leaving a profit to be transferred to reserves of £187,000.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The group's principal activity is the provision of a range of security manpower and associated support services.

FUTURE DEVELOPMENTS

The company expects to continue to expand its operations.

DIRECTORS AND THEIR INTERESTS

The directors of the company who served during the year were as follows:

T A Brentnall
R W Farrow
D G Nineberg
M K Randall
S F Cooney (resigned 30 July 1995)

None of the directors had any disclosable interest in the share capital of the company during the year.

The interests of T A Brentnall, D G Nineberg and M K Randall in the share capital and options to subscribe in the share capital of Orbis PLC are disclosed in that company's directors' report.

R W Farrow holds options to subscribe in the share capital of Orbis plc 217,000 (1995 - 217,000) exercisable at 23.5 pence per share.

EMPLOYMENT POLICIES

A well trained, reliable, motivated and informed management team and workforce is essential to the successful provision of a first class security manpower service to clients of the quality served by the company. All security staff are trained in accordance with BS 7499 requirements and receive the additional specialist training required to satisfy clients' needs. Suitable and interested employees share equal opportunities for further training and career development through obtaining City & Guild diplomas and national vocational qualifications.

The company aims to be an equal opportunity employer and it is the policy to promote from within when there is a suitable internal candidate for a vacant or new position.

Employees are informed on a regular basis of current activities, progress and general matters of interest by various methods, including monthly management and operating meetings, scheduled visits to the sites at which they are based and the circulation of First Security's in-house newspaper.

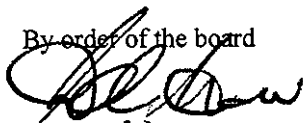
The company gives sympathetic consideration to the employment and development of disabled people having regard to their particular aptitudes and abilities. If an employee becomes disabled whilst in the service of the company, every effort is made to continue his/her employment by transfer to other duties and, if required, by the provision of such training as is appropriate.

DIRECTORS' REPORT

AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board



D A G How
Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

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

REPORT OF THE AUDITORS
to the members of First Security (Guards) Limited

We have audited the accounts on pages 7 to 17, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 10.

Respective responsibilities of directors and auditors

As described on page 5 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 March 1996 and of its profit for the year ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor
Manchester

19 November 1996

First Security (Guards) Limited

GROUP PROFIT AND LOSS ACCOUNT for the year ended 31 March 1996

		<i>Year ended 31 March 1996 £000</i>	<i>15 months ended 31 March 1995 £000</i>
	<i>Notes</i>		
TURNOVER	2	12,924	13,196
Cost of sales		(10,500)	(10,772)
GROSS PROFIT		2,424	2,424
Administrative expenses		(1,385)	(1,246)
OPERATING PROFIT	3	1,039	1,178
Interest receivable and similar income		-	38
Interest payable	6	(15)	(26)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,024	1,190
Tax on profit on ordinary activities	7	(337)	(95)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		687	1,095
Dividends		(500)	(831)
RETAINED PROFIT FOR THE YEAR		187	264

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

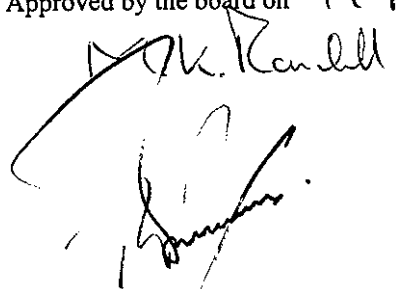
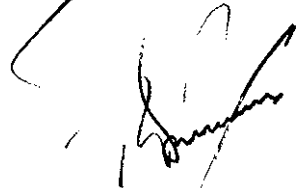
There are no recognised gains or losses in the group other than the profit for the financial year.

First Security (Guards) Limited

GROUP BALANCE SHEET at 31 March 1996

	Notes	31 March 1996 £000	31 March 1995 £000
FIXED ASSETS			
Tangible assets	8	382	334
CURRENT ASSETS			
Debtors	10	3,936	2,518
Cash at bank and in hand		1,107	102
		<u>5,043</u>	<u>2,620</u>
CREDITORS: amounts falling due within one year	11	(4,228)	(1,967)
NET CURRENT ASSETS		<u>815</u>	<u>653</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,197</u>	<u>987</u>
CREDITORS: amounts falling due after more than one year	12	(116)	(93)
		<u>1,081</u>	<u>894</u>
CAPITAL AND RESERVES			
Called-up share capital	15	50	50
Profit and loss account	16	1,031	844
TOTAL SHAREHOLDER'S FUNDS	16	<u>1,081</u>	<u>894</u>

Approved by the board on 19 November 1996

 } Directors
 }

First Security (Guards) Limited

BALANCE SHEET at 31 March 1996

	Notes	31 March 1996 £000	31 March 1995 £000
FIXED ASSETS			
Tangible assets	8	382	334
Investments	9	-	-
		<u>382</u>	<u>334</u>
CURRENT ASSETS			
Debtors	10	3,936	2,518
Cash at bank and in hand		1,107	102
		<u>5,043</u>	<u>2,620</u>
CREDITORS: amounts falling due within one year	11	(4,779)	(1,967)
NET CURRENT ASSETS		<u>264</u>	<u>653</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>646</u>	<u>987</u>
CREDITORS: amounts falling due after more than one year	12	(116)	(93)
		<u>530</u>	<u>894</u>
CAPITAL AND RESERVES			
Called-up share capital	15	50	50
Profit and loss account	16	480	844
TOTAL SHAREHOLDER'S FUNDS	16	<u>530</u>	<u>894</u>

Approved by the board on 19 November 1996



 } Directors

First Security (Guards) Limited

NOTES TO THE ACCOUNTS at 31 March 1996

1. ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Basis of consolidation

The group accounts consolidate the accounts of First Security (Guards) Limited and its subsidiary undertaking Authoragent Company Limited drawn up to 31 March each year. No profit and loss account is presented for First Security (Guards) Limited as permitted by section 230 of the Companies Act 1985.

Cash flow statement

As a subsidiary of Orbis plc, the company is exempt under S228 Companies Act 1985 from the requirement to prepare a cash flow statement.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

	Per annum
Leasehold property	- Equal instalments over period of lease
Fixtures and fittings	- 10% straight line
Computer equipment	- 20% straight line
Motor vehicles	- 25% reducing balance

The rates of depreciation were revised following the acquisition of the company by Orbis PLC. The impact of the change in rates on the depreciation charge for the period was not material.

Deferred taxation

Provision is made for deferred taxation, using the liability method on all timing differences to the extent that it is probable that the liability will crystallise.

Leases

The accounting policy adopted in respect of leased assets depends upon the classification of the underlying lease as either a finance lease or an operating lease. Assets leased under a finance lease are treated as fixed assets and depreciated in accordance with group policy. Interest costs under finance leases are expensed at a constant periodic rate of charge on the outstanding amount. Rental charges in respect of assets leased under an operating lease are apportioned on a straight line basis and expensed over the period of the lease.

2. TURNOVER

Turnover is the total amount, excluding value added tax, receivable by the company in the ordinary course of business for services provided.

First Security (Guards) Limited

NOTES TO THE ACCOUNTS

at 31 March 1996

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	<i>Year ended 15 months ended</i>	<i>Year ended 15 months ended</i>
	<i>31 March</i>	<i>31 March</i>
	<i>1996</i>	<i>1995</i>
	<i>£000</i>	<i>£000</i>
Depreciation - owned assets	59	35
- leased assets	20	48
Auditors' remuneration	10	8
Operating lease rentals - land and buildings	58	72
	<u> </u>	<u> </u>

4. EMPLOYEES

The average number employed by the company within each category was:

	<i>Year ended 15 months ended</i>	<i>Year ended 15 months ended</i>
	<i>31 March</i>	<i>31 March</i>
	<i>1996</i>	<i>1995</i>
	<i>No.</i>	<i>No.</i>
Selling and administration	27	21
Security staff	770	658
	<u> </u>	<u> </u>
	797	679
	<u> </u>	<u> </u>

The costs incurred in respect of these employees were:

	<i>Year ended 15 months ended</i>	<i>Year ended 15 months ended</i>
	<i>31 March</i>	<i>31 March</i>
	<i>1996</i>	<i>1995</i>
	<i>£000</i>	<i>£000</i>
Wages and salaries	9,961	10,354
Social security costs	915	977
Pension costs	1	1
	<u> </u>	<u> </u>
	10,877	11,332
	<u> </u>	<u> </u>

First Security (Guards) Limited

NOTES TO THE ACCOUNTS at 31 March 1996

5. DIRECTORS' EMOLUMENTS

	<i>Year ended 15 months ended</i>	
	<i>31 March</i>	<i>31 March</i>
	<i>1996</i>	<i>1995</i>
	<i>£000</i>	<i>£000</i>
Management remuneration	199	210
Pension contributions	8	1
	<u>207</u>	<u>211</u>

The emoluments of the highest paid director, excluding pension contributions were £91,000 (15 months ended 31 March 1995 - £78,938). Directors' emoluments include a payment of £30,000 to S F Cooney as compensation for loss of office.

The emoluments (excluding pension contributions) of the directors fell within the following ranges:

	<i>Year ended 15 months ended</i>	
	<i>31 March</i>	<i>31 March</i>
	<i>1996</i>	<i>1995</i>
	<i>No.</i>	<i>No.</i>
£Nil - £5,000	2	1
£45,001 - £50,000	1	1
£60,001 - £65,000	1	1
£70,001 - £75,000	-	1
£75,001 - £80,000	-	1
£90,001 - £95,000	1	-

6. INTEREST PAYABLE

	<i>Year ended 15 months ended</i>	
	<i>31 March</i>	<i>31 March</i>
	<i>1996</i>	<i>1995</i>
	<i>£000</i>	<i>£000</i>
Bank overdraft interest	-	9
Interest element of finance lease costs	15	17
	<u>15</u>	<u>26</u>

7. TAXATION

	<i>Year ended 15 months ended</i>	
	<i>31 March</i>	<i>31 March</i>
	<i>1996</i>	<i>1995</i>
	<i>£000</i>	<i>£000</i>
Corporation tax at 33% (1995 - 33%)	337	95

First Security (Guards) Limited

NOTES TO THE ACCOUNTS at 31 March 1996

8. TANGIBLE FIXED ASSETS

Group and company

	<i>Leasehold property £000</i>	<i>Fixtures and fittings £000</i>	<i>Motor vehicles £000</i>	<i>Total £000</i>
Cost:				
At 1 January 1995	4	296	249	549
Additions	-	85	83	168
Disposals	-	-	(59)	(59)
At 31 March 1996	4	381	273	658
Depreciation:				
At 1 January 1995	1	99	115	215
Charge for the year	-	28	51	79
Disposals	-	-	(18)	(18)
At 31 March 1996	1	127	148	276
Net book value:				
At 31 March 1996	3	254	125	382
At 31 December 1995	3	197	134	334

Details of fixed assets held under finance leases and hire purchase contracts included in the above are as follows:

	<i>Leasehold property £000</i>	<i>Fixtures and fittings £000</i>	<i>Motor vehicles £000</i>	<i>Total £000</i>
1996				
Net book value	-	10	1	11
Charge for the year	-	5	15	20
1995				
Net book value	-	43	124	167
Charge for the period	-	6	42	48

9. INVESTMENTS

At 31 March 1995 and 1996, the company had an investment of £2 in Authoragent Company Limited, which is registered in England & Wales. Authoragent is a wholly owned subsidiary engaged in the supply of manned guarding services.

First Security (Guards) Limited

NOTES TO THE ACCOUNTS at 31 March 1996

10. DEBTORS

Group and company

	<i>31 March 1996 £000</i>	<i>31 March 1995 £000</i>
Trade debtors	2,374	1,261
Amounts due from parent undertaking	1,338	1,079
Other debtors - taxation	-	13
Prepayments and accrued income	224	165
	<u>3,936</u>	<u>2,518</u>

11. CREDITORS: amounts falling due within one year

Group

	<i>31 March 1996 £000</i>	<i>31 March 1995 £000</i>
Net obligations under finance leases and hire purchase contracts (note 13)	61	48
Trade creditors	32	107
Amounts due to parent undertaking	27	-
Corporation tax	346	108
Other creditors including taxation and social security	637	912
Accruals and deferred income	2,142	792
Proposed dividends	983	-
	<u>4,228</u>	<u>1,967</u>

Company

	<i>31 March 1996 £000</i>	<i>31 March 1995 £000</i>
Net obligations under finance leases and hire purchase contracts (note 13)	61	48
Trade creditors	32	107
Amounts due to subsidiary undertaking	994	-
Corporation tax	74	108
Other creditors including taxation and social security	493	912
Accruals and deferred income	2,142	792
Proposed dividends	983	-
	<u>4,779</u>	<u>1,967</u>

12. CREDITORS: amounts falling due after more than one year

Group and company

	<i>31 March 1996 £000</i>	<i>31 March 1995 £000</i>
Net obligations under finance leases and hire purchase contracts (note 13)	116	93

13. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

Group and company

31 March 31 March

First Security (Guards) Limited

NOTES TO THE ACCOUNTS at 31 March 1996

	1996 £000	1995 £000
Payable within one year	61	48
Payable in two to five years	116	93
	<u>177</u>	<u>141</u>

14. PROVISIONS FOR LIABILITIES AND CHARGES

Group and company

	31 March 1996 £000	31 March 1995 £000
Provided:		
Deferred taxation	-	-
Accelerated capital allowances	-	-
Other	-	-
	<u>-</u>	<u>-</u>
Not provided:		
Deferred taxation	34	27
Accelerated capital allowances	(14)	1
Other	20	28
	<u>20</u>	<u>28</u>

15. SHARE CAPITAL

	31 March 1996 £	31 March 1995 £
Authorised:		
'A' Ordinary shares of 50p	-	-
'A' Deferred shares of 50p	100	100
'B' Ordinary shares of £1	-	-
'B' Deferred shares of 50p	49,900	49,900
Ordinary shares of \$0.01	1	1
	<u>50,001</u>	<u>50,001</u>

First Security (Guards) Limited

NOTES TO THE ACCOUNTS at 31 March 1996

15. SHARE CAPITAL (continued)

	<i>31 March 1996 No.</i>	<i>31 March 1995 No.</i>	<i>31 March 1996 £000</i>	<i>31 March 1995 £000</i>
Allotted, called up and fully paid:				
'A' Ordinary shares of 50p	-	-	-	-
'A' Deferred shares of 50p	200	200	-	-
'B' Ordinary shares of £1	-	-	-	-
'B' Deferred shares of 50p	99,800	99,800	50	50
Ordinary shares of \$0.01	200	200	-	-
	<u>100,200</u>	<u>100,200</u>	<u>50</u>	<u>50</u>

On 21 June 1994 the existing 'B' ordinary shares of £1 each were sub-divided into 2 'B' ordinary shares of 50p each and the authorised share capital was increased by \$2 by the creation of 200 new ordinary shares of \$0.01. The existing 'A' and 'B' ordinary shares were converted into deferred shares and 200 new ordinary shares of \$0.01 were allotted to shareholders credited as fully paid by way of a bonus issue and evidenced by the issue of share warrants to the bearer.

16. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

Group

	<i>Share capital £000</i>	<i>Profit and loss account £000</i>	<i>Total £000</i>
At 1 January 1994	50	580	630
Profit for the period	-	1,095	1,095
Dividends	-	(831)	(831)
	<u>50</u>	<u>844</u>	<u>894</u>
At 31 March 1995	50	844	894
Profit for the year	-	687	687
Dividends	-	(500)	(500)
	<u>50</u>	<u>1,031</u>	<u>1,081</u>
At 31 March 1996	50	1,031	1,081

First Security (Guards) Limited

NOTES TO THE ACCOUNTS at 31 March 1996

16. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES (continued)

<i>Company</i>	<i>Share capital £000</i>	<i>Profit and loss account £000</i>	<i>Total £000</i>
At 1 January 1994	50	580	630
Profit for the period	-	1,095	1,095
Dividends	-	(831)	(831)
At 31 March 1995	50	844	894
Profit for the year	-	136	136
Dividends	-	(500)	(500)
At 31 March 1996	50	480	530

17. FINANCIAL COMMITMENTS

Operating lease commitments in the next twelve months are £58,000 in respect of land and buildings under leases that expire after more than 5 years. The comparative figure at 31 March 1995 was also £58,000.

18. CONTINGENT LIABILITIES

The company is party to a cross-guarantee of the bank borrowings of Orbis plc. At 31 March 1996, Orbis plc had net bank borrowings of £4,034,000.

19. ULTIMATE PARENT COMPANY

The ultimate parent undertaking is Orbis PLC, a company incorporated in England and Wales.

Copies of the group accounts are available from the registered office at The Roller Mill, Mill Lane, Uckfield, East Sussex TN22 5AA.